

FINANCIAL TIMES

Friday April 3 1992

EUROPE'S BUSINESS NEWSPAPER

D 8523A

US Mafia boss found guilty of murdering rival

Mafia boss John Gotti, known as "the Dapper Don", was found guilty of murder and racketeering after a 10-week trial in which his former right-hand man gave evidence against him.

The jury of seven men and five women deliberated for less than two days before convicting him of sending henchmen to kill the boss of the Gambino crime family, Paul Castellano, in a dramatic 1985 Manhattan shooting.

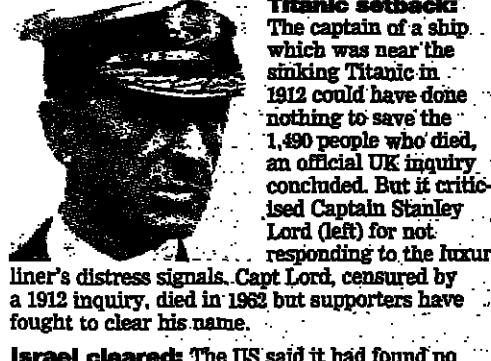
Setback for privatisation effort

Efforts to privatise East German companies still controlled by the Treuhander agency have run into difficulty because many of them have suffered a sharp fall in orders. Page 16

Palestinians in clash Hundreds of Palestinians clashed with Israeli soldiers in the occupied Gaza Strip in protest at the killing of four Arabs by paramilitary border guards. Mideast talks. Page 3

Alarm over Tokyo decline Japan's prime minister, Kiichi Miyazawa, met leaders of the securities industry in an attempt to bolster confidence as share prices slid to another five-year low, causing alarm among politicians. Page 16

Bull market legacy Page 17; Markets, Page 39



liver's distress signals. Capt Lord, censured by a 1912 inquiry, died in 1963 but supporters have fought to clear his name.

Israel cleared: The US said it had found no evidence that Israel had made unauthorised transfers of Patriot missiles or Patriot missile technology to third countries. Page 3

Labour open to deal Britain's opposition Labour party signalled a willingness to strike an accord with other parties on electoral reform. Page 16; UK election, Page 8; Editorial Comment, Page 14; Joe Rogaly, Page 15

Border guards charged: Three former East German border guards were charged with manslaughter for killing a man as he tried to defect over the Berlin Wall in 1965. Five guards have been convicted of manslaughter since reunification.

Deutsche Bank: Germany's largest bank, reported a 16.5 per cent increase in 1991 operating profits to DM5.97bn (\$3.6bn) and said it would introduce strict rules to prevent the misuse of sensitive financial information. Page 18

Heron International: property group, will today tell a crisis meeting of its banks that the slump in the UK property market has wiped more than \$400m (\$688m) from the value of its net assets. Page 17; Balance sheet battering, Page 22

Gatt deadline missed: Arthur Dunkel, director general of the General Agreement on Tariffs and Trade, confirmed that the Easter deadline for completion of the Uruguay Round of world trade talks would be missed. Page 4

US orders rise: Orders for manufactured goods in the US rose by 0.5 per cent in February, their second consecutive monthly increase, the Commerce Department said. Page 4

Jet in car park crash: A US Air Force F-11 fighter-bomber crashed into a factory car park at Fimmere in Buckinghamshire, southern England, after the crew ejected safely. Part of the factory and 15 cars burst into flames.

Sneema: the French state-owned aero-engine maker which has been hit hard by the recession, announced a net loss of FF768m (\$12m) for 1991 and a 30 per cent decline in new orders. Page 20

Swedish bank rescue: The Swedish government announced a SEK7.3bn (\$1.2bn) rescue package for Företags Sparbanken, the troubled savings bank hit by heavy credit losses in the property and construction sector. Page 17

Sun Alliance: the largest UK general insurer, sank deeper into the red, posting pre-tax losses for 1991 of \$466.2m (\$805m) and completing a gloomy reporting round for the UK's insurance sector. Page 17; Lex, Page 16

Olympia & York: the Canadian property developer, is expected to ask banks for a formal suspension of debt repayments to provide time for an agreement to be reached on a permanent reorganisation of borrowings. Page 17

Titograd changes names: The Yugoslav city of Titograd regained its old name of Podgorica in the latest move to erase the memory of the country's former leader, Marshal Tito.

US LUNTIME RATES

3-mo Treasury Bill	4.44%
Long Bond	7.89%
Yield	7.89%

LONDON MONEY

3-mo Interbank	11.54%
12-mo Interbank	11.54%
12-mo long gilt future	10.54%

STOCK INDICES

FT-SE 100	2,485.4
Yield	5.08
FT-SE 100	2,485.4
FT-SE 100	2,485.4

NEW YORK LUNTIME

3-mo Treasury Bill	4.44%
Long Bond	7.89%
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Protesters ransack foreign embassies in Tripoli

By Tony Walker in Cairo, Mark Nicholson in London and Michael Littlejohns in New York

ANGRY DEMONSTRATORS in Tripoli yesterday attacked embassies of countries that had voted for sanctions against Libya. Crowds ransacked and torched the Venezuelan mission, destroyed diplomatic cars and hurled stones through Russian and Austrian embassy windows.

Jana, Libya's state news agency, said dozens were injured as demonstrators clashed with riot police. The protests were aimed at the United Nations decision on Tuesday to impose sanctions against Libya unless it agreed to surrender for trial two suspects in the 1988 bombing of Pan Am flight 103 over Lockerbie in Scotland.

The news agency said enraged crowds marched towards the embassies and consulates of countries that had voted for the "unjust resolution". It reported that paramilitary forces had been mobilised to protect the missions. Diplomats in Tripoli said the protests, the first since western pressure was applied on Libya over its alleged role in the Lockerbie bombing, appeared carefully orchestrated.

In New York, the UN Security Council reacted with anger to the attacks. At a private meeting called by Venezuela, members drafted a first response, condemning what it called "inadmissible acts of terrorism".

Mr Thomas Pickering, US delegate to the UN, said the UN response - no matter how firmly worded - might be inadequate to deter Libya. Other measures might prove necessary, he said, advising reporters to "stay tuned".

Mr Vladimir Petrovsky, a senior UN envoy, is to be despatched to Tripoli after the three-day Eid al-Fitr Islamic holiday this weekend to discuss the sanctions vote with Libya.

In Tripoli, Mr Miguel Roldi, Venezuela's ambassador, said about 300 people had broken into the embassy compound. Petrol bombs were thrown into the building, furniture was wrecked, liquor bottles smashed, and plants ripped from the garden.

Venezuela, a rotating member of the Security Council, was one of the 10 states that voted for resolution 748 which imposed an arms and air embargo on Libya from April 15.

A Russian diplomat in the Libyan capital, reached by telephone, said hundreds of demonstrators in their mid-teens gathered around the embassy just after noon yesterday, chanting pro-government slogans, hurling stones, breaking win-

Mitterrand aims to restore French Socialist fortunes by naming new PM Bérégovoy replaces Cresson

By Ian Davidson in Paris

MR PIERRE BERÉGOVOY was yesterday named France's new prime minister by President François Mitterrand in an attempt to reverse the declining fortunes of the Socialist party.

After a week of intense political speculation, Mr Bérégovoy succeeded Mrs Edith Cresson, whose 10-month tenure was the shortest in the history of the Fifth Republic and who had broken all records for her unpopularity. She resigned after the Socialist's catastrophic defeats in regional and local elections last month.

Mr Bérégovoy, a self-taught economist and long-serving finance minister, was quick to announce new policy initiatives. "The first big priority is the fight against all forms of unemployment with new and bold initiatives," he said.

Mr Bérégovoy did not immediately announce the composition of his new government.

He did, however, tell a meeting of Socialist members of parliament that his team would be "renewed, rejuvenated and entirely loyal".

Few observers expect Mr Bérégovoy's appointment to herald any dramatic new directions in policy.

He is an economic liberal, whereas his predecessor was an enthusiastic interventionist. He can be expected to steer clear of government activism in industrial policy experiments.

Much of his time is likely to be taken up in trying to reverse the decline in the Socialist's standing in the public opinion polls.

The party's popularity has had an uninterrupted fall since Mrs Cresson was appointed little more than 10 months ago.

He also has to prepare for the general elections due inside a year.

His most immediate practical problem is to get legislation through parliament.

The Socialist government does not command an absolute majority, and the Communists and the centrists are likely to be more awkward than before.

As the first woman to become prime minister in France, Mrs Cresson's appointment in May last year created a short-lived media sensation.

Almost immediately she began to sink steadily in the opinion polls.

Her poor public standing was attributed by many to her contentious and combative attitude, including towards her colleagues in the Socialist party, and her tendency to make crude and graceless political remarks.

In one celebrated interview she characterised the Japanese as "ants" and one quarter of British men as "homosexuals".

Mr Bérégovoy, by contrast, is a model of self-control and moderation, and can be counted on to avoid any public faux pas.

He has long been a close associate of Mr Mitterrand, and served as his secretary-general in the Elysée Palace during the first years of Mr Mitterrand's presidency.

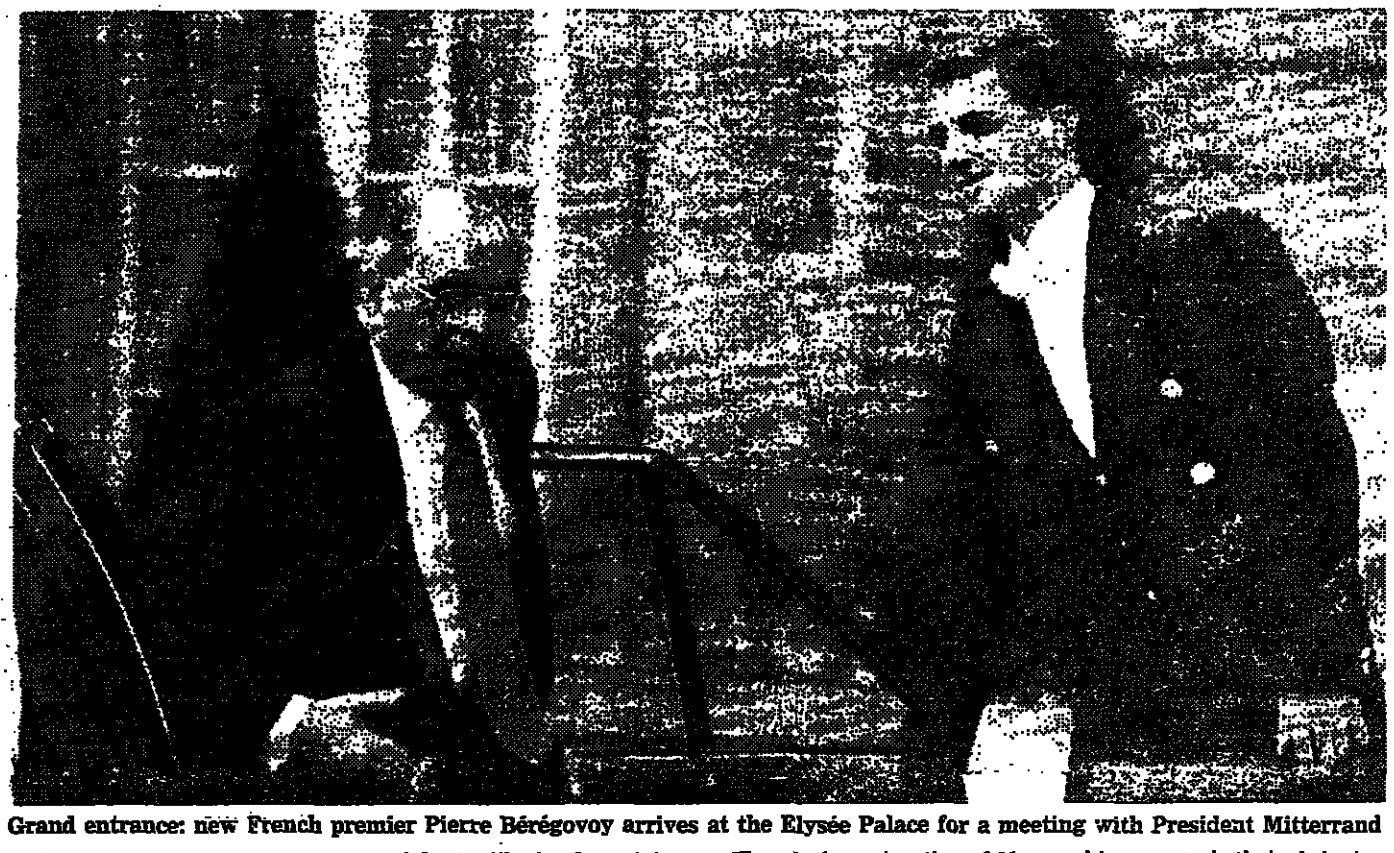
Though the resignation of Mrs Cresson became inevitable after the regional elections, it was nevertheless delayed by four days of protracted consultations by Mr Mitterrand.

During these consultations, Mr Mitterrand is reported to have considered other candidates, including Mr Jacques Delors, the president of the European Commission.

Mr Bérégovoy's long tenure of the Finance Ministry, and his achievements both in bringing down inflation and in liberating financial markets, are bound to be reassuring in business circles.

He told a party meeting yesterday that his priorities would be economic recovery and the fight against unemployment.

His other priorities are the maintenance of law and order, European integration and the ratification of the Treaty of Maastricht, and protection of the environment.



Grand entrance: new French premier Pierre Bérégovoy arrives at the Elysée Palace for a meeting with President Mitterrand

Bérégovoy profilePage 2

Economic maestro must tackle social troubles.....Page 2

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Safe hands for a party in distress.....Page 14

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Allianz to resist cartel move on Dresdner link

By David Waller in Frankfurt

ALLIANZ, Europe's largest insurance company, yesterday declared its determination to resist the efforts of Germany's Federal cartel office to force it to cut its shareholding in Dresdner Bank, Germany's second-biggest bank.

The Munich-based insurer said the Berlin-based authorities' objections to the shareholding in Dresdner - and to its business relations with the bank - were without foundation.

The cartel office delivered its detailed objections to Allianz and Dresdner - two of Germany's most powerful institutions - on Tuesday night. They were the conclusions of a study started last summer when it emerged that Allianz had taken its stake in the bank above 22 per cent, up from the 10 per cent disclosed earlier.

It emerged yesterday that the authorities had two specific objections to Allianz's relations with Dresdner. They want Allianz to cut its direct holding in the bank from 22.3 per cent to 19.1 per cent, and they do not want it to proceed with plans to establish a joint marketing strategy in Germany's five new Bundesländer in former East Germany.

Ideally the authorities would like the agreement in the west to be unscrambled as well.

Berlin wants the reduction in Allianz's shareholding to 19.1 per cent to curb Allianz's influence over the bank's commercial strategy. The authorities believe that if Allianz's holdings in other Dresdner shareholders are taken into account, it is in a position to block a potential move from Dresdner into the life assurance sector.

It objects to the commercial relations between the banks because it believes that Allianz and a network of inter-related companies dominate the German life market, with gross life premiums in excess of DM50bn (\$30bn) a year in west Germany alone.

The cartel office believes this gives the Allianz sphere of influence five times the market share of the nearest competitor, a spokesman said.

Allianz yesterday rebutted both criticisms of the shareholdings and of the business relations with Dresdner. It said companies such as Hamburg Mannheimer were fierce competitors and should not be seen as mere satellites of its own operations.

It added that its business links with Dresdner had been established before the single European market. In no European country was such a link between a bank and an insurance company banned, Allianz said. The market, and not the competition authorities, should decide whether the link with Dresdner was justifiable, it said.

Allianz, one of Europe's most powerful financial institutions, has six weeks to respond to the complaints. If, as seems likely, it does not bow to the authorities' demands, it can take its case to court first in Berlin, then Bonn and ultimately Brussels.

Deutsche Bank plans stricter rules, Page 18

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AND PROBABLY THE NEXT.

The Royal Oak is instantly recognized by its unique octagonal shape. A classic design, totally original in concept, with that extraordinary perfection of finish which is the hallmark of the master watchmakers, Audemars Piguet.

Decisive, individual, ageless. One of a kind, like the person who wears it. Like the champion golfer, Nick Faldo. He unhesitatingly chose the Royal Oak as his watch. One leader, it seems, will immediately recognize another.

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NEWS: EUROPE

Attali warns of war in Europe if aid withheld

By David Dodwell in Paris

THE industrial west must open up to exports from the former Soviet Union, and must commit substantial extra funds to reconstruction if upheavals are to be avoided which could escalate into civil war across Europe, Mr Jacques Attali, head of the European Bank for Reconstruction and Development, warned yesterday.

He made "likely predictions" at a conference in Paris on world trade and investment that the Commonwealth of Independent States (CIS) faced the prospect of 50m people unemployed, a balance of payments deficit of \$40bn (£23.1bn) in 1993, failure to fund national budgets, and a crumbling of the state system.

Noting a 20 per cent plunge in exports from the CIS, and a 30 per cent fall in output over the past year, he warned: "We have not touched the bottom of the recession. This is merely the first stage of a major decline in foreign trade, and a considerable worsening of their growth capacity."

"Eastern Europe has emerged towards civil war, dragging the whole of Europe towards civil war," Mr Attali said. "The dangers are huge."

In a speech that is likely to preview statements at the first

annual meeting of the EBRD in Bucharest at the weekend, he called for a four-pronged effort to tackle the region's financial problems, of which the Group of Seven's pledges on Wednesday of \$20bn in aid to Russia would form just a part.

● Funds for commercial investment, led by EBRD itself, with funds of Ecu10bn (£7.15bn) that can be expected to attract private sector investment of up to Ecu50bn.

● Funds for industrial training as industries are rebuilt.

● Balance of payments support. This amounted to \$20bn in 1991 in Russia alone, he said. By 1993, it would amount to \$40bn in the absence of funds to aid structural change.

● Long-term funding for restructuring the system. He foresaw the need for up to Ecu500bn to fund closure of factories across the CIS, and the building of new industries.

Closure of 16 dangerous nuclear power stations, and the refurbishment of 45, would in itself cost Ecu10bn.

Mr Attali attacked western countries for pressuring states in eastern Europe into radical reform while refusing to open markets to their exports. He called on the EC to move promptly to negotiate a "contractual common market with 40 countries across Europe".

Kohl stands firm on Turkey row

By Quentin Peel in Bonn

CHANCELLOR Helmut Kohl of Germany refused to back down yesterday in his confrontation with Turkey, insisting that German weapons supplied to its Nato ally can only be used for its defence "in the framework of the alliance".

Although he stopped short of direct criticism of Turkey's campaign against Kurdish guerrillas and civilians, which caused Germany to suspend all arms shipments last week, he said that Ankara must observe all its commitments to human and minority rights.

In a parliamentary debate on the row between the two normally close allies, Mr Kohl sought to turn the debate to belated electoral advantage. With an eye on the state elections in Baden-Württemberg and Schleswig-Holstein on Sunday, the chancellor delivered a ringing defence of his government's foreign policy.

But Mr Hans-Ulrich Klose, the SPD parliamentary leader, taunted Mr Kohl for allowing the row to get out of hand. He said that Mr Dick Cheney, the

Turkey is to introduce economic reforms for the impoverished Kurdish minority after unrest in the area in which more than 100 have died in the past 10 days, writes John Murray Brown in Ankara.

The measures represent the first concrete steps to address the Kurdish problem and stem growing support for the Syrian backed Kurdish Workers Party which is fighting an eight year campaign for independence.

US defence secretary, had been forced to intervene between the Nato partners.

"We have reached a sorry state when our big brother in the alliance, the US, must help us to return to the path of foreign policy virtue," he said.

● The number of foreigners seeking political asylum in Germany reached a record of more than 35,000 last month, with refugees from Yugoslavia alone running at 13,175.

Romania was the second largest source, with 5,544 and Turkey third with 2,406.

Super-Béré: socialist with a steady hand

France's new PM has the best left credentials for right economic rectitude, writes William Dawkins

THE ARRIVAL of Mr Pierre Bérégovoy as France's new prime minister, signals a shift back towards the right and solid endorsement of the policy of competitive disinflation he has pursued as finance and economy minister for much of the past eight years.

It also marks President François Mitterrand's formal acceptance that the attempt to introduce a fresh *clan* to government, with the nomination of Mrs Edith Cresson last May, has not worked.

Mr Bérégovoy can be expected to follow policies very similar to those of Mr Michel Rocard, who preceded Mrs Cresson as prime minister, and with whom Mr Bérégovoy gets on very well. So, in the space of just under a year, the government has turned full circle.

Yet anybody glancing for the first time at the life history of the genial Mr Bérégovoy might be forgiven for thinking he would be the last man who might be expected to promote liberal economic policies at the head of a Socialist government.

He was the only truly working class member of the Cresson administration, otherwise dominated by alumni of the elite civil service colleges, and rich bourgeois Socialists, dubbed the *gauche caviar* by satirical newspapers.

Mr Bérégovoy is anything but that. Of Ukrainian descent, the 66-year-old prime minister started work as a miller machine operator, then a railwayman, and made his way into politics as a management assistant at Gaz de France, the state utility. His formal educational qualifications are limited. He got a certificate in metal working from technical college and did not go to high school.

Yet as finance minister on and off since 1984, Mr Bérégovoy more than made up for his lack of grounding in the conventional elite by skillfully packing his private office with some of the finest minds in the

public administration. He will undoubtedly pick a heavy-weight staff for the Matignon.

Mr Bérégovoy's success in holding to his policy of firm budgetary and monetary control for so long has made him more closely identified with France's economic health - in foreign investors' minds - than any of his European finance ministry counterparts in relation to their own economies. The results are, as Mr Bérégovoy never ceases to remind the public, much lower-than-average inflation, respectable growth, and an economy that has so far escaped a formal recession.

The importance of "Super-Béré", as he is nicknamed, is underlined by the gyrations that used to hit the capital markets during sporadic rumours of his resignation, and the corresponding strength of the markets as rumours of his promotion grew in recent days.

So President François Mitterrand's choice of Mr Bérégovoy puts the country in the hands of someone with a steady hand as well as undeniable Socialist credentials.

A secondary advantage is that Mr Bérégovoy has no presidential ambitions, one of the factors that led to the falling out between Mr Mitterrand and the ambitious and effective Mr Rocard. This will also avoid further splits in a Socialist party already riddled with rivalry over how to repair its electoral disasters and who will one day replace Mr Mitterrand.

It might seem surprising that Mr Mitterrand hesitated for several days before appointing Mr Bérégovoy. One reason might be the president's annoyance at the fact that Mr Bérégovoy prepared his own ministerial team before even being nominated - and without consulting Mr Mitterrand.

What is more important, Mr Mitterrand has had to balance his need for Mr Bérégovoy's skills against the demands of



Bérégovoy: the only truly working class member of Cresson's otherwise bourgeois Socialist cabinet

an important Socialist party faction, led by Mr Lionel Jospin, education minister in the Cresson government, for a relaxation in Mr Bérégovoy's policies of monetary and budgetary rigour. As Mr Mitterrand's chief adviser from 1981-82 he has the socialist cre-

dentials to steer through the party's sometimes conflicting demands.

The Jospinists argue that less budgetary rigour would help curb unemployment, one of the Socialists' biggest political problems, and to stimulate the economy. Mrs Cresson

shares those views, which is one reason her relations with the former finance minister - who often outmanoeuvred his old boss - were strained.

When questioned by critics, Mr Bérégovoy has always come up with the same answer: he

will never devalue the franc. Mr Mitterrand has had to come to terms with the fact that his new prime minister does not plan to abandon that rigour for political, or any other, reasons.

Safest hands take the controls, page 14

Economic maestro must now tackle social troubles

By William Dawkins in Paris

MR Pierre Bérégovoy, France's new prime minister, has until the March 1993 general election to turn round the fortunes of the embattled Socialist government.

He will have to get to grips with sensitive social problems, requiring Mr Bérégovoy to extend his skills well beyond the efficient economic management on which he built his reputation. The main issues include:

● Unemployment. This has crept up over the past two years to 2.88m, or 9.9 per cent of the workforce, well above the European average. It will soon pass the psychologically and politically important 3m level.

Some blame Mr Bérégovoy's economic policies for this. Mr Bérégovoy said cutting unemployment would be "the priority" for his government, though he added: "I will not promise a

miracle or a magic solution."

● Immigration. This is seen as a factor in the sporadic outbreaks of urban violence which fuel demands from the extreme right-wing National Front for a clampdown on law and order. Mr Bérégovoy needs to show that the government has an answer while not upsetting Socialist supporters' conscience over human rights.

● Environment. Mr Bérégovoy will have to woo the two green parties, the Greens and Génération Ecologie, which emerged as potential partners for the government last month, when they won a combined 14 per cent of the vote. Yet they both waver over whether or not and at what price they will support the Socialists. The Greens said yesterday they would not support the Socialists.

Among the two parties' demands are an end to France's experimental fast-breeder programme, a ban on nuclear tests in the south Pacific, a freeze on some motorway projects and proportional representation in the general election. Any deal with the environmentalists will need to respect the Socialists' loyalty to France's

report, Mr de Larosière said monetary policy should remain directed at reducing inflation and stabilising the franc inside the European Monetary System. Interest rates should aim to encourage savings "in an economy that continues to be marked by an excessive dependence on foreign capital". This was needed to cover the current account deficit and to finance foreign investment.

ambitious nuclear energy programme.

● Corruption. Mr Bérégovoy will need to clean up the Socialists' image, tarnished by a police inquiry into corrupt methods of raising party funds and by a misjudged attempt to give an amnesty to some of those involved.

Also at stake is the independence of the judiciary, jeopardised by government interference in its investigations into corrupt political funding.

● Economy. This is the least of Mr Bérégovoy's worries. With inflation at 3 per cent and a growth forecast of 2 per cent this year, France is better off

than most of its European partners. The slight worry is that Mr Bérégovoy appears to be losing some of his old budgetary rigour. Due to lower than expected tax revenues, last year's budget deficit overshoot its target by 63 per cent to come out at FF131.7bn (£13.6bn). This year's could exceed FF150bn, unless the government takes corrective action. Mr Bérégovoy will no doubt want to rein in the deficit to defend the franc, but this might not be politically feasible.

● Industrial policy. He is unlikely to follow Mrs Cresson's habit of interfering whenever a state-owned company seeks a foreign partner, as she did with computer group Bull's link-ups with NEC of Japan and IBM of the US. Neither is this market liberal likely to follow Mrs Cresson's style for intervention. He is expected to continue the programme of partial privatisations.

Italian voters face a profusion of parties

Robert Graham finds the choice is between more of the same and a step into the dark

THE ITALIAN electorate could scarcely claim it is being denied a choice of parties or candidates in Sunday's general elections. The 47.4m voters have never before faced such a deluge of parties and candidates, confirming Italy's status as the most fragmented democracy in the EC.

Against 34 party groupings in the 1987 elections, 50 are now in the field, including special interest lobbies from the League of Pensioners and the Car Drivers' Party to the much publicised Party of Love, headed by Ms Moana Pozzi, Italy's self-styled "porno-star".

The Rome electoral district tops the list with a bewildering selection of 27 parties. The Interior Ministry has permitted 109 different party symbols of which 37 contain the word "league", provoking the suspicion that government supporters have deliberately sought to confuse potential voters of the populist Lombard League which has emerged as the main challenger to the ruling Christian Democrats in the north.

The number of candidates contesting the 630 seats for the chamber of deputies and the 315 seats for the senate is up 17 per cent to 11,027. Over one fifth of these candidates are contesting more than one seat - if they win in more than one, their votes can be transferred to another candidate of their party's choice.

But this proliferation of choice is deceptive. Little attention has focused on issues, largely because the electorate is correctly assumed to know what these are (insti-

What the main parties stand for

	Christian Democrats: In government since 1945		Democratic Left: Former mainstream communists
	Socialists: Christian Democrats' main coalition partner		Reconstructed Communists: Breakaway hardliners
	Republicans: Centre-left, former coalition partners		Lombard League: Populist champions of the north
	Italian Social Movement: Neo-Fascist		The Network: Sicilian-based movement for clean government

tutional reform and convergence with the EC) and because few politicians wish to commit themselves to concrete proposals. Instead the campaign, with increasing intemperance, has centred on the nature and composition of Italy's next and 51st post-war government.

As a result voters face only two real alternatives. The first is for a majority to maintain their vote for the two main partners in the outgoing coalition government, the Christian Democrats and the Socialists, which alongside their minor allies, the Liberals (PLI) and the Social Democrats (PSDI), have ensured a stable parliamentary majority. Between

them, these four parties mustered 62 per cent of the vote in 1987.

Alternatively, the apparently large number of undecided voters - up to a third, which is unprecedented in Italian elections - could switch allegiance to some nine groupings which could loosely be called the opposition for the purposes of the campaign. This "opposition" has presented itself as the champion of reform of the political system and has been drumming up a protest vote - but is not united in any other sense.

The parties include the metamorphosed communists in the form of the Party of the Democratic Left (PDS); the

breakaway hardline communists, known as Reconstructed Communists; the centre-left Republicans (PRD); the anti-Rome Lombard League and its league affiliates; the neo-fascist Italian Social Movement (MSI); the Greens; the quixotic Radicals; the Referendum Party and the Sicilian-based "clean government" movement, La Rete (The Network).

It is thus a vote for the status quo to continue the Christian Democrats' interrupted 46 year hegemony, or for an uncertain change involving new players. In the past the same basic choice has existed; but the important difference is that uncertain change meant allowing a communist party into government. Freed for the first time of this fear following the collapse of communism, voters may well feel more willing to step into the unknown.

The Christian Democrats, commanding 34 per cent of the vote, have been unsettled by not having a well defined "enemy" in the shape of a communist threat. They have hit out in all directions with a defensive slogan "they want to break up Italy", the all-embracing "they" include highly responsible former government partners such as the Republicans along with the Lombard League. The Socialists have been equally defensive, exposed for having little to do with socialism any more, and for making retention of power an end in itself. The PSDI and the PLI have timidly clung to their partners' coats-tails.

The "opposition" has concentrated its fire on the Christian Democrats' record in government and sought to capitalise on a protest vote. This is especially the case of the Republicans and the Lombard League.

But with few exceptions the attacks have been muted by ambitions to govern that would mean allying with elements in the outgoing government.

In the case of the PDS, the party has spent a lot of time ensuring that the former communist vote, the second largest in 1987 with 26 per cent, does not haemorrhage either to its break-away former companions in Reconstructed Communism or to other parties. The PDS will do well to hold the line with 30 per cent of the vote.

Italian post-war elections have shown an electorate remarkably faithful to individual parties with only minimal percentage swings. However, it would require a relatively small swing from the four parties in the outgoing coalition to undermine their chances of forming a new government.

Even if the present coalition partners scrape home with around 49 per cent of the vote, the minimum to assure a working parliamentary majority, the nature of the next legislature will be radically different. Over 400 deputies, embracing a cross-party alliance of Christian Democrats and Socialists as well as Republicans and members of the PDS, are pledged, if elected, to reform an electoral system which creates political fragmentation and a political system which leaves the executive little accountable to the legislature.

On economic issues no party disagrees on fundamentals - the need to tackle the huge public sector deficit, slim down the state and conform to the criteria of convergence with the EC laid down by the Maastricht summit. The electorate is merely being left to decide amid a welter of vague promises who is most capable of positive action.

NEWS IN BRIEF

Brussels call for increase in spending on research

MR Filippo Maria Pandolfi, EC commissioner for research and development, yesterday proposed a big increase in research spending by the Community from Ecu4.4bn (£3bn) this year to Ecu4.2bn in 1997, writes Andrew Hill in Brussels.

Mr Pandolfi will present his R&D strategy to fellow commissioners in Strasbourg next week.

Speaking during a conference on the future of cross-border Community research, Mr Pandolfi said the EC had to combine funding for traditional small projects with "more focused activities - technological priority projects, related to some key technologies on which the competitiveness of European industry depends".

The document will not list priority projects, but Mr Pandolfi gave a number of examples of "generic technologies", which could benefit all sectors of industry, including information technology, software engineering, environmental technology and advanced molecular biology.

Irish bank strike threat

Ireland's four main clearing banks face a possible all-out strike by their 13,000 employees, after two of the banks threatened to sack workers taking industrial action, writes Tim Cooney in Dublin.

Members of the Irish Bank Officers' Association have been taking action in pursuit of a 6.5 per cent pay rise. The banks are offering 6 per cent in return for longer hours.

Moldova ceasefire broken

Moldovan police and Russian-speaking separatists exchanged fire yesterday, despite a warning from the former Soviet army that it would step into the fray unless fighting stopped, Reuter reports from Bendery, Moldova.

The ultimatum came from the 14th Army of the former Soviet Union, which is stationed in the ex-Soviet republic's breakaway Dnestr region, east of the Dnestr river.

IMF credit for Romania

The International Monetary Fund has agreed provisionally to provide Romania with a \$500m standby credit in 1992, a National Bank official said, Reuter reports from Bucharest.

Romanian finance minister George Demulescu and the governor of the National Bank, Mr Mugur Isarescu, signed a letter of intent on the new loan package with an IMF mission in Bucharest, a central bank spokeswoman said.

Sweden lifts business curb

Sweden's parliament is to scrap from July 1 the requirement on foreign companies to obtain special permission to do business in Sweden, Reuter reports from Stockholm.

German inflation up

By Andrew Fisher in Frankfurt

GERMANY yesterday reported a further rise in inflation last month to an annual rate of 4.7 per cent at a time when pay talks have begun in the engineering industry in the face of employers' determination to keep wage rises low.

However, there was encouraging news on trade performance. The improvement in February's trade surplus to DM2.2bn (£760m) from only DM45m in January reflected a 1.1 per cent rise in exports, to nearly DM55bn. Imports eased by 2.9 per cent from January's level, to DM52.7bn. Since unification, the surplus has come down sharply.

The Financial Times (Europe) Ltd. Published by The Financial Times (Europe) Ltd., Frankfurt Branch, Wilsbergplatz 3, 6000 Frankfurt-am-Main 1. Telephone 49 69 156550; Fax 49 69 596448; Telex 416195. Represented by E. Hugo, Frankfurt/Main, and as members of the Board of Directors, R.A.F. McClan, G.T.S. Damer, A.C. Miller, D.E. Palmer, London. Printer: DVM GmbH-Hilfriet International, 6078 Neu-Isenburg 4, Frankfurt. Registered office: Richard Lambert, Financial Times, Number One Southbank Bridge, London SE1 9HL. The Financial Times Ltd. 1992.

Registered office: Number One, Southbank Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: J. Rolley, 108 Rue de Rivoli, 75004 Paris Cedex 01. Tel (01) 4297 0621; Fax (01) 4297 0629. Editor: Richard Lambert. Printer: SA Nord Edit, 15/21 Rue de Celles, 59100 Roubaix Cedex 1. ISSN: 1358-1148-2753. Commissionaire: Paritane No 67902D.

Financial Times (Scandinavia) Vinnelskatet 42A, DK-1161 Copenhagen K, Denmark. Telephone (33) 13 44 41. Fax (33) 23535.

Much of Europe and Libya look set for business as usual

Neither side can afford to drag oil into tit-for-tat sanctions threats over Tripoli's alleged role in airliner bombing, writes Our Foreign Staff

COLONEL Muammar Gaddafi's reported threat to halt trade with countries imposing United Nations sanctions against Libya would, if carried out, be a severe blow to several European countries which depend on the country's particularly light, low-sulphur crude oil. But since 80 per cent of Libya's gross domestic product derives from trade, and 97 per cent of its trade is oil exports, mostly to Europe, few analysts believe Col Gaddafi could afford to enact any self-imposed oil export embargo. Libya's oil revenues are roughly \$8bn a year.

Indeed, yesterday journalists from Europe, the Italian magazine in which Col Gaddafi was reported to have made the threat of a retaliatory trade embargo, denied that the Libyan leader had specifically mentioned a cut-off of oil at all. "Col Gaddafi did not actually pronounce those words," said a European spokesman. However, the dependence of some European countries on Libyan crude also makes it certain that they would oppose any tightening of sanctions against Tripoli to include a trade embargo against a supplier of rare crudes and easily

Libya's main trading partners in 1990 (\$m)

	Exports to	Imports from
Italy	5,023	1,153
Germany	2,216	751
Spain	1,163	86
France	751	378
UK	289	434

Source: EU

reachable across the Mediterranean.

According to oil industry officials, Italy, Germany and Spain privately made it clear to the US in November, when the furor over Libya's alleged role in the Lockerbie bombing came to a head, that they would not back a trade embargo against Tripoli. Their non-compliance would make any such embargo toothless.

Libya sells 95 per cent of its oil and petroleum products to Europe, mostly to Italy, Germany, Spain, France and the UK - its five main trading partners - a total of 1.83m barrels a day. There is no trade with the US since Washington

imposed its own trade embargo in 1986, again over alleged Libyan complicity in the terrorist attack. Moreover, the oil imported is of a light, sweet quality upon which several refineries in Italy, Germany and Spain depend and it would be extremely difficult for these countries to replace the oil.

Although the Organisation of Petroleum Exporting Countries is producing a surplus of oil, extra capacity is only available generally in high-sulphur, heavy crudes. "You cannot say there is any spare light, sweet crude capacity in the market," says one analyst. "Most light, sweet producers are operating to capacity."

Italy is at most risk from any threat of halting oil sales and other commercial activity and is viewing with concern the international community's worsening relations with Libya. Italy imports 27 per cent of its crude from Libya and is the country's principal EC trading partner.

Rome has given its full backing to the UN resolutions penalising Libya for failing to hand over the two suspects in the Lockerbie bombing,

but in private Italian officials have been urging caution and the need to avoid a break-down in communications with Tripoli.

Italian ambivalence underlines official fears that Italy risks suffering far more from any Libyan retaliatory measures than Britain, France or the US, which have pressed hardest for sanctions.

Last year Italy imported 17.4m tonnes of crude from Libya worth \$5,400m (\$4,394m) a 2 per cent drop in volume on the previous year but still 27.6 per cent of total oil imports. This is more than double the oil imported by Libya's next largest European client, Germany. It also represents 41 per cent of total Libyan oil sales.

At the same time Italian companies, notably ENI, the state oil concern, are involved in all aspects of the Libyan industry from exploration and production through to construction of refineries.

Italy is studying the possibility of importing gas from a Libyan offshore field via a pipeline to Sicily. Libya is also a useful market for a wide range of Italian consumer and industrial goods which last year

increased 30 per cent to \$1,687bn. Alitalia, the national carrier, transported 17.6m tonnes of goods by air freight last year and more than 31,000 passengers; and the Tripoli-Rome air link is regarded as one of Libya's most important air connections.

Spanish officials are also watching anxiously. Libya supplies Spain with about 10 per cent of its imported crude, though this is decreasing as Spain's three refineries have begun to secure their own upstream supplies.

But about 19 per cent of the liquefied natural gas (LNG) Spain imports is Libyan. Barcelona and much of the rich industrial territory around it are heavily dependent on Libyan LNG, which is supplied under long-term contracts the Spanish have with Tripoli and Algeria.

Spanish diplomats were warning yesterday that any decision to increase pressure on Tripoli would place Spain in a difficult position. "We would be very concerned if these sanctions were hardened into a full economic embargo," one official said.

Germany, which depends on Libya for 16 per cent of its oil imports, appeared relatively unperturbed by Libyan threats. "We have been dealing with Gaddafi since 1958 and we have been through our share of bilateral and multilateral quarrels, and not once has he interfered with our supplies," one industry leader said yesterday.

The economics ministry was equally sanguine. "We expect no supply problems," an official said. "There is no shortage of oil on offer, although we cannot of course rule out price repercussions."

Swiss officials were equally unflustered. Libya supplies 15 per cent of the country's 2.6m tonnes of annual crude imports. "If it had come a year or so ago, I would have said it was very serious," Mr Baptist Gehr, economic adviser of the Swiss Petroleum Association, said yesterday.

Since then, Libyan interests have invested heavily in oil refining and distribution activities in Switzerland, and so Mr Gehr thinks it unlikely that the Libyan government would want to damage its own operations. "I think it is unlikely

that after all this investment Libya will then refuse to supply us," he said.

In June 1990, Tamol (Suisse), a Libyan controlled consortium, purchased a 65 per cent stake in Gatoil, Switzerland's fourth-largest oil company then in bankruptcy administration, for Sfr201.25m (\$135m). It later bought the remaining 35 per cent stake from Sasea Holding, the investment banking group headed by Mr Florio Fiorini.

Britain, despite having severed diplomatic links with Libya, also imported 1.6m tonnes of Libyan refined petroleum products in 1991 while exporting (\$438m) worth of goods, mainly machinery, to Libya. But given Britain's own domestic supplies of light oil and its political determination to bring the Lockerbie suspects to justice, the UK would likely not be as worried about a Libyan oil ban imposed either from without or within.

Reporting by Mark Nicholson, Robert Graham, Ian Rodger, Peter Bruce and Christopher Parkes

US accuses Israel of selling Patriot secrets

By Hugh Carnegie in Jerusalem and Agencies

THE US was last night preparing to flesh out its allegations that Israel illegally sold Patriot missile technology to China, following release of a State Department report accusing a "major recipient" of US weaponry of persistently on-selling arms to unauthorised countries.

Israel yesterday repeated its denial that it had sold US arms and technology to countries such as China and South Africa in the face of US and international prohibitions.

Mr James Baker, secretary of state, said on US television he had received a further report from an investigating team which had just returned from Israel. He pledged to release its findings later in the day.

It was unclear whether these would corroborate or contradict a report released the previous evening. That report, by a state department inspector general, alleged "a systematic and growing pattern of unauthorised transfers" since 1983 of technology by a country not directly named but taken in Washington to be Israel.

It recommended disciplinary action against officials in the department's bureau of political-military affairs, who had failed to report violations to superiors or to Congress.

Mr Baker said he had yet to read the second report, but added: "If it is found that they (the Israelis) did not (illegally) transfer technology, the matter should be considered closed."

In Jerusalem, officials continued to demand a public retraction by the US. "Our policy is to adhere strictly to the procurement and technology transfer agreements," said Mr Danny Navah, spokesman for Mr Moshe Arens, the defence minister.

The state department report fuelled fears in the Israeli government that Washington was moving to put the hitherto highly intimate US-Israel relationship on a more business-like footing. Some officials have accused the Bush Administration of seeking to undermine the strategic relationship between the two countries.

At the least, the government is bracing itself for much tougher scrutiny of US arms and technology transfers, on

which the Israeli defence forces and military industries have come to depend. The military is worried it may become subject to sanctions on some technologies to which it wants access to maintain Israel's "qualitative edge" over its Arab foes.

Despite the official denials, the US moves have forced Israel to be somewhat more open about its secretive military exports.

Mr Mendi Meron, a former director-general of the defence ministry, admitted yesterday there were "grey areas" in arms trade involving, for example, "off-the-shelf" purchases from the US where technology transfer agreements did not apply and the development of parts by Israel based on US know-how.

He cited an example of an Israeli-made anti-tank device, including US parts, which the US refused to license for export to one of two countries to which Israel planned to sell it. "We returned home, we took out the American-made parts and replaced them with parts from another source. The system remained the same," Mr Meron said.



European Community delegates are guarded by Lebanese troops during a tour of Beirut's devastated centre

Arabs agree to round of Mideast talks

By Lara Mariowe in Beirut

FOREIGN ministers of Lebanon, Syria, Jordan and the Palestine Liberation Organisation representative have agreed to attend the fifth round of the Middle East peace conference in Washington on April 27.

They also agreed to draw up a list of ten alternative venues for subsequent talks, in accordance with a request this week by Mr James Baker, US secretary of state.

Agreement was reached

despite Syrian and Lebanese reservations about the utility of continuing negotiations before Israel's June 23 elections. Arab delegations had also opposed Israel's demand that the talks be moved closer to the Middle East. But officials at the Beirut meeting said delegates wanted "to prove to the international community that obstacles are being raised by Israel, not the Arabs".

The two-day meeting marked a diplomatic victory for Lebanon. It was the first time since 1975 that a high-level Arab con-

ference not concerned with the civil war was held in Beirut.

Representatives of Portugal, Britain and the Netherlands, the "troika" formed by the immediate past, present and future presidencies of the European Community, met the Arab foreign ministers in an unsuccessful attempt to convince Syria and Lebanon to take part in multilateral Arab-Israeli talks on economic development, refugees, water resources and the environment scheduled for May. Syria and Lebanon had boycotted the

first round of multilateral talks held in Moscow.

"We believe it doesn't make sense to go to that stage of negotiations until something has been achieved on the basic issues," said Mr Mowafak Allaf, head of Syria's delegation to the peace conference.

Mr Leonardo Mathias, the Portuguese head of the EC team in Beirut, said that by establishing a steering committee for the talks, the EC was seeking a role in the peace conference commensurate with its economic and political power.

Japanese car sales fall by 6.5%

By Steven Butler in Tokyo

A STEEP decline in car sales in March was reported yesterday by the Japan Automobile Dealers' Association (Jada), adding to the accumulating evidence that Japan's economy is slowing sharply.

March sales fell by 6.5 per cent compared to a year ago to 694,520 units, Jada said in a preliminary report. For the first three months of the year, sales were down by 4.3 per cent.

The Jada report nonetheless contained one slice of good

news for the industry. Sales of larger cars with engines of more than two litres, which are more expensive and profitable, rose by 40.8 per cent to 86,633 units in March. Small cars (excluding minicars) were hit hardest, with sales down 15 per cent to 404,984 units.

Meanwhile, a report by the Economic Planning Agency issued yesterday showed that plant and equipment investment by Japanese companies was expected to rise by an average of 4.6 per cent in the next three years, compared to

an average rise of 10.6 per cent over the past three years.

A main reason for the decline was the difficulty companies have raising funds on the depressed stock market, according to a survey of companies.

The EPA report also said that investment in labour saving equipment and spending on research and development were affected by interest rate movements. Many analysts had assumed that these areas of investment were relatively unaffected by financial market trends.

Bofors former chief denies bribery for Indian order

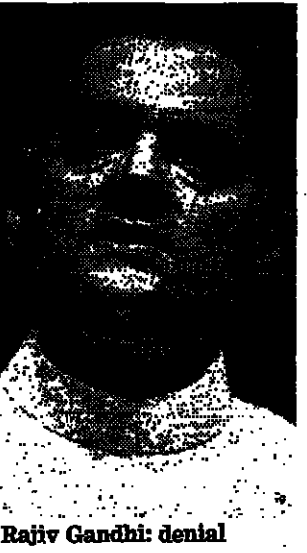
THE former main owner of the parent company of Swedish arms maker AB Bofors denied yesterday that the company had paid bribes to win a \$1.3bn weapons order from India in 1986. Renter reports from Stockholm.

"Nobel Industrier (Bofors's parent company) has not paid any bribes to Indian civil servants, nor politicians nor military," Mr Erik Penser told a news conference. Nobel and Bofors had previously denied the charges, but yesterday's comment was the first time the reclusive financier had held a news conference.

The scandal, which first surfaced in 1987, made headlines again on Tuesday when Mr Madhavsinh Solanki, the Indian foreign minister, resigned over charges that he had tried to cover up investigations into bribes made during the deal.

India's prime minister at the time of the scandal, the late Mr Rajiv Gandhi, denied wrong doing but the scandal was a factor in the defeat of his Congress party in 1989 elections.

Mr Penser lost control of Nobel last year after his 66 per cent stake was seized by Nordbanken as collateral for loans.



Rajiv Gandhi: denial

UN pressure on Afghan factions

By Farhan Bokhari in Islamabad

A UNITED Nations representative yesterday stepped up pressure on warring factions in Afghanistan, less than a month before a representative assembly of Afghans is to meet to discuss a transitional government.

Mr Benon Sevan, personal representative for Afghanistan of Mr Boutros Boutros Ghali, the UN secretary-general - in Islamabad after his second visit this week to Kabul - called those who sought a

military victory "arsonists" for whom there was no longer room.

With international help, Mr Sevan said, "we shall be able to resolve the Afghan conflict peacefully and now, not next month, this month."

Western diplomats are cautious in their optimism about prospects for an end to the 14-year war. Last month Afghan President Najibullah agreed to step down and pave the way for transferring power to an interim government.

A UN-backed assembly of representatives of Afghan

groups is due to be held by the end of this month, either in Geneva or in Vienna, as a first step towards making arrangements for a transitional government.

Reuter adds from Kabul: Mr Najibullah sought to speed up the peace process in Afghanistan when he met Mr Sevan yesterday, a presidential spokesman said.

Mr Najibullah's announcement two weeks ago that he would not take part coincided with his loss of Mazar-i-Sharif, the biggest city in the north, to guerrillas and dissidents.

Day of violence adds to pressure on Moi

By Julian O'zanne in Nairobi and Michael Holman in London

KENYA'S opposition stepped up the pressure on President Daniel arap Moi yesterday as general strikes, called to force the government to release political prisoners and secure an early general election, kept most Nairobi workers at home.

Clouds of black smoke hung over slum areas in Nairobi as youths, exploiting the opposition's call for a peaceful strike, burned rubber tyres, set up roadblocks and clashed with anti-riot police. State-owned buses and private cars were stoned and burned to prevent commuters going to work.

Despite the violence about 40 per cent of Nairobi's workforce reached the city and some shops opened at midday.

Most Asian businesses, however, remained closed after a series of fires early yesterday destroyed houses and shops in the Asian commercial districts of the city.

Opposition leaders in Nairobi claimed the action had been a "huge success".

Mr Paul Muite, a leading member of the Forum for the Restoration of Democracy (Ford), the main opposition movement, said in London last night that the strike would continue today.

He warned that Ford was prepared to mount a civil disobedience campaign if the government failed to provide a timetable for an early general election, monitored by observers from the Commonwealth and other organisations.

"We regret the need for such a campaign," said Mr Muite, a Nairobi lawyer, "but our calls for dialogue with the government have been ignored. Although this strike is for two days, the next time it will be indefinite."

Ford has called for the establishment of an independent electoral commission, and speedy completion of a new electoral register.

Western diplomats said the day-long clashes added to concerns that Kenya's transition to multi-party democracy was becoming jeopardised by violence.

Running battles continued throughout the day in the shanty towns of Kangemi, Kawangware and Satellite as paramilitary police used tear gas and live ammunition to disperse the rioters.

Several people were beaten by police wielding batons and pickaxe handles. Yesterday's events mark the continuing threat of a descent into violence of Kenya's precarious transition to political pluralism.

Trade deficit presages tough year for Indonesia

By William Keeling in Jakarta

THE Indonesian government posted a Rupiah 1,500bn (\$740m) surplus in the state budget for the financial year which ended on Tuesday, Mr Johannes Sumartini, finance minister, said. Bankers and donor economists warn, however, that an \$83m trade deficit in January indicates a tough year ahead for the economy.

The 1991-92 budget figures, which are preliminary, put government revenue at Rp62,000bn, marginally above the Rp60,500bn target. Total government expenditure, the minister said, amounted to Rp60,400bn.

Mr Sumartini, speaking after the monthly cabinet meeting on the economy, said that income tax revenue of Rp5,600bn was 19.4 per cent higher

than forecast, while revenue from value added tax was also above target. Import duty and export tax revenue was below target, partly because of a reduction in import tariffs, the minister said.

Foreign aid flows for the fiscal year amounted to Rp10,400bn while oil and gas sector revenue of Rp15,000bn was as forecast, with oil production averaging 1.56m barrels a day.

Mr Sumartini noted, however, that figures for January showed a 37 per cent year-on-year decline in oil and gas receipts, whilst in the same month Indonesia recorded an overall trade deficit, with imports of \$2.2bn and exports of \$1.2bn.

Although the January trade deficit was small, Indonesia needs to maintain a substantial trade surplus if it is

Indonesian trade balance (\$m)

	Jan 92	Dec 91	Jan 91
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Exports	2,124.2	2,610.9	2,489.0
Oil/gas exports	728.4	780.9	1,101.0
Imports	2,226.8	2,377.9	1,846.0
Trade balance	-82.6	223.0	644.0

Source: Reuters

to counter invisible outflows (such as interest payments on debt) estimated by bankers in Jakarta at more than \$8bn last year. Despite the government's budget surplus, Indonesia had a current account deficit in 1991 of about \$4.5bn.

January's trade deficit was "very unhealthy", according to one banker,

and evidence that the economic downturn in western economies was hitting Indonesia's export-oriented industries.

Economists at donor agencies warn of a tough financial year ahead, despite maintaining a forecast of 5.8 per cent real economic growth. They express concern at Indonesia's external debt which has increased from \$65bn a year ago to \$75bn. Of this, \$30bn is in public debt, and \$25bn in private debt, which has grown most rapidly in recent years.

They note, however, that there is no public short-term debt, and the government remains committed to its debt obligations. The rise is also partly offset by an increase in Indonesia's foreign reserves from \$6.3bn in March 1990 to \$10bn last November.

The government has acted to restrict further overseas borrowing by rescheduling many capital intensive projects.

A further growth in exports is needed if the public debt service ratio, estimated by donor agencies at 31 per cent of export earnings and described by a senior economist as "very high", is to be alleviated.

The January trade deficit bolsters recent complaints by industrialists that Indonesia is losing its competitive edge in export markets. They blame the government's tight monetary policy, designed to limit domestic credit. The banks' prime lending rate is currently 25 per cent a year, and industrialists say the high cost of funds has left an increasing number of companies operating at a loss.

NEWS: AMERICA

US real estate loans and S&L rules eased

By Nancy Dunne
in Washington

THE White House yesterday issued new regulations to ease lending conditions for real estate and to let "well-capitalised" savings and loan institutions open branches in any US state.

The Bush administration acted after both Democrats and Republicans in Congress had defied their leaders late on Wednesday by failing to approve \$17bn in funding to liquidate bankrupt savings and loan bodies (known as thrifts) and pay off their depositors.

The White House said the country "can no longer afford to wait for Congress to act" on proposed legislation to allow inter-state branches. It claimed the authority to act unilaterally and said its moves would "enhance the ability of banks and thrifts to make loans."

Under the new rules, the amount of capital that banks and thrifts must hold "against conservatively underwritten loans for construction of pre-sold homes" is reduced. Also, the threshold for requiring licensed appraisals on loans secured by real estate is raised from \$50,000 to \$100,000.

Mr Michael Waldman, director of Mr Ralph Nader's Congress Watch, a citizens group, said the White House was

repeating its tactics of 1988, when it loosened rules and standards for S&Ls: "The White House is using the regulatory apparatus as an arm of the campaign committee and the result will be huge taxpayer costs. It's a little injection of extra debt and looseness which makes you feel great at first, then there is a huge hangover."

The administration's action contrasted with the paralysis in Congress, where a majority of each party contributed to a 298-135 vote against a White House-backed measure to fund continued S&L rescues with \$17m. Democrats, concerned that the bill did not contain regulatory reforms, joined many Republicans who had argued that many of the thrifts still can be saved.

Members of both parties are worried about the S&L issue in the Congressional and presidential election campaigns this year. But they are also fully aware that the thrift crisis having been ignored four years ago, before the last presidential election, the estimated cost of the rescue ballooned to hundreds of billions of dollars.

Congressman Henry Gonzalez, chairman of the House Banking Committee, complained that the White House had made only "minimal" effort to lobby for its own bill.

EC oil 'breaking embargo on Haiti'

By Stephen Fidler in
Washington and Canute
James in Kingston

THE US administration has complained to European Community governments that shipments of oil from Europe are undermining an embargo aimed at restoring President Jean-Bertrand Aristide to power in Haiti.

The embargo was established by the Organisation of American States after the military overthrow of Fr Aristide six months ago.

But significant shipments of oil, mainly from Europe, have rendered much of the embargo ineffective and are seen by the US State Department as lifting the coup leaders' confidence in their ability to resist international pressure.

"The latest information we have is that there are more tankers in the harbour than they can unload," said a senior state department official. Shipments had come from France, Britain, Germany and other countries.

Sanctions by the EC would be useful in keeping pressure on the government in Port au Prince, the official said. However, when the US had made representations to EC governments, "we were given all sorts of reasons why sanctions were not possible."

For example, the US was told that European sanctions would require six months' notice of implementation under the terms of the Lomé convention, which grants developing countries privileged access to EC markets.

The latest known oil deliveries to Haiti were 10 days ago by two vessels under the Norwegian and Danish flags. They unloaded fuel products expected to last three weeks.

An even steadier supply of goods for Haiti has been crossing its border with the Dominican Republic. Trade in petrol and other fuels, food and consumer durables has become a lucrative venture for the Dominican military, despite the government's public adherence to the embargo.

Clash of the sound-bite slickers

Martin Dickson on the 'huckster' factor in New York's Democratic party primary



US cartoonist Doug Marlette's view of the contenders

gelist - no matter how many sensible, detailed policy documents he may brandish before the voters.

The governor has not helped by his confession in the middle of the campaign that he smoked marijuana in Britain more than 20 years ago. This was in itself trivial, but it

manages his previous put answer to drug questions - that he had never broken US laws - seem evasive and equivocal. He is, in short, having a hard time shaking off his sly, slippery "Slick Willie".

His second problem is that Mr Jerry Brown, the former governor of California and Mr Clinton's sole remaining official adversary, has fought a skilful campaign. His populist rhetoric, ruthless tarring of Mr

Clinton, and command of the 10-second sound bite have turned him from a mildly dotty fringe candidate into a serious challenger.

Victory in New York is important in part because the state has the second-largest count of delegates (after California) at the Democratic National Convention, which will choose the party's presidential candidate. And New York City, with its extraordinarily diverse ethnic mix, is often seen as an acid test of a candidate's national stature.

Not for nothing did Mr Clinton deliver a major foreign policy speech in Manhattan this week.

New Yorkers, proud of the city's reputation for political toughness, would like to think that no candidate can fall here

and go on to win the nomination, but that is typical New York hype. After all, Mr Jimmy Carter (another Southerner) came a dismal third here in 1976. And Mr Clinton has come to New York with almost half the delegates needed to sew up the nomination.

Just a few weeks ago Mr Clinton seemed all but assured of victory in New York after strong wins in the key Midwest states of Illinois and Michigan, and the withdrawal from the campaign of New England's Mr Paul Tsongas.

But then Mr Brown won a surprise victory in the small north-eastern state of Connecticut, amid polls showing that almost 50 per cent of local Democrats questioned whether Mr Clinton had the honesty to be an effective president. With the media continuing to question Mr Clinton's marital fidelity, Vietnam draft status and ethical record, New York suddenly became a key test of the governor's character.

Mr Brown has ruthlessly capitalised on this, accusing Mr Clinton of delivering a "big lie" and branding him as the friend of Wall Street and the slick, unacceptable face of politics-as-usual.

"I am running," he says, "against a candidate who is the very symbol and personification of a system and politics that doesn't work."

This is extremely galling for Mr Clinton, whose preferred

image is of a new-age Democrat operating outside the traditional party hierarchy. But Mr Brown's tactics have been effective, allowing him to capitalise on a groundswell of bitter cynicism among ordinary US voters towards conventional politics.

New York's bewildering ethnic mix means that any political campaigning here faces an extremely delicate balancing act. So far both candidates have avoided any serious gaffes, but Mr Clinton appears to be well ahead in winning the backing of Jews, who account for about 30 per cent of the primary vote, thanks partly to his attacks on President Bush's tough new policy towards Israel.

The important black, Hispanic and labour constituencies look more divided. Mr Brown has appeared on the same platform several times with Mr Jesse Jackson, the black former presidential candidate, and has invited him to be his running mate.

The latest opinion poll suggests that Mr Clinton is ahead, but a large number of voters appear undecided and there remains a significant wild card in the form of Mr Tsongas, whose name remains on the New York ballot. As a favourite son of the north east, he could yet attract a significant Anyone-But-Clinton vote and weak considerable damage on the Southern.

Factory orders rise in US

By Michael Prowse
in Washington

NEW ORDERS for manufactured goods in the US rose by 0.5 per cent in February to register their second consecutive monthly increase, the Commerce Department said yesterday.

Shipments of goods were up 2.1 per cent - the 10th increase in the past 11 months.

Inventories - stocks of unsold goods - fell for the fifth month, dropping to their lowest level for three years.

This suggested that companies will have to increase pro-

duction so as to meet rising demand.

The rise in orders followed a 0.5 per cent increase in January and a 3.7 per cent decline in December. Orders in February were 0.2 per cent higher than in the equivalent month last year.

Orders for durable goods, however, fell 0.3 per cent in February, compared with January. Excluding defence, new orders were up by 1 per cent.

The orders figures were seen as broadly consistent with a batch of reports pointing to a revival of consumer and business demand since Christmas.

Argentines reflect on invasion

By John Barham
in Buenos Aires

ARGENTINA yesterday commemorated the 10th anniversary of its invasion of the Falkland Islands with a series of public events which, although low-key, carried political tension.

President Carlos Menem held in the Patagonian city of Rio Gallegos, 2,100 km south of Buenos Aires, and on the same latitude as Port Stanley, the Falklands capital. There, Mr Antonio Gonzalez, defence minister, said Argentina would eventually win sovereignty over the islands through "tire-

less diplomatic efforts."

Meanwhile, the UK embassy in Buenos Aires denied that the islands' government would issue seismic survey licences for oil exploration, as announced by the chief executive of the Falklands government this week.

The British government is committed to giving no surprise and intends to stick to this, an official said.

The islands have legislation enabling them to market exploration licences, but rules are still being studied in London and will only be enacted after consultation with Argentina.

Venezuela central bank chief quits under fire

By Joe Mann in Caracas

THE president of Venezuela's central bank, Mr Miguel Rodriguez, has resigned in an effort to ease political pressure on the beleaguered government of President Carlos Andres Perez.

He named, late on Wednesday, Ms Ruth de Krivoy, a respected economist and the first woman to hold the job, to head the central bank.

Mr Rodriguez, who only took the post in late February, had come under attack from Mr Perez's opponents.

The outgoing central bank chief was the main architect of the highly unpopular economic reform programme initiated three years ago.

It is not clear, however, whether his departure will much reduce pressure on the president and on other free-market proponents in the cabinet.

Ms de Krivoy held an executive post in the central bank in the 1970s, but has spent most of her professional life as a private sector economist.

NEWS: WORLD TRADE

Dunkel confirms missed deadline

By David Dodwell,
World Trade Editor

THE Easter deadline to complete the Uruguay Round of talks on world trade liberalisation will be missed, Mr Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), confirmed yesterday.

He argued that the negotiations, which began in 1986, were "past the point of no return." He insisted the trade reforms would be prominent on the agenda of the Group of Seven summit in Munich in June if no settlement had been reached by then.

The Easter deadline, set in December when he released a 400-page draft Uruguay Round agreement, is the latest of many to be missed. Mr Dunkel referred to a "growing sense of frustration and urgency" among negotiators in Geneva as differences over farm trade reform have put the trade agreement in jeopardy. After the Easter deadline the US no longer has enough legislative days left in its Congressional calendar to win approval for the agreement ahead of presidential elections in November.

Speaking in Paris at a conference on world trade and investment organised by the International Chamber of Commerce and the International Herald



Ecology militants battle with Paris police as they use a large fan to blow feathers during the arrival of Arthur Dunkel, GATT director general, outside the Grand Hotel yesterday. Mr Dunkel is in Paris for a conference on world trade and investment

Tribune, Mr Dunkel said that in spite of failure to reach agreement, each deadline "had produced some results."

"It is a very difficult, painful and complicated stage. Negotiations are still moving forward. We are not blocked," Chancellor Helmut Kohl, who had talks with President

Bush in Washington two weeks ago in an effort to pave the way to a Uruguay Round agreement, will be host to the Munich summit, and has made it clear he wants the agreement settled before then.

Negotiators are now confident that necessary compromises are possible in all areas

under negotiation - including services and market access - except farm trade. US officials, who also speak in this context for many farm product exporters in the third world, insist that the European Community must make cuts to the volume of subsidised exports dumped on world markets.

His comments follow a series of complaints by Australia about lack of access to the US market, notably in relation to sugar and dairy products, which Canberra claims are virtually closed to imports.

Senator Evans said the US had been told "vigorously" that the allegations were denied by Australia, which has substantially reduced tariff protection over the last decade.

He said many US trade practices were "unquestionably

Australia attacks US on trade report to Congress

By Kevin Brown in Sydney

A SIMMERING trade row between Australia and the US flared again yesterday when Canberra responded sharply to criticism from Mrs Carla Hills, the US trade representative.

Senator Gareth Evans, Australian foreign minister, said a report to the US Congress by Mrs Hills was inaccurate.

The report had said trade was distorted by tariffs, customs valuation practices, export incentives and subsidies.

Senator Evans said the US had been told "vigorously" that the allegations were denied by Australia, which has substantially reduced tariff protection over the last decade.

He said many US trade practices were "unquestionably

unfair," especially in areas such as agriculture which were of crucial importance to Australian exporters.

"There is only so much that we can put up with by way of double standards from the US. We do not accept these... allegations lying down," Senator Evans said.

His comments follow a series of complaints by Australia about lack of access to the US market, notably in relation to sugar and dairy products, which Canberra claims are virtually closed to imports.

The US says its subsidies are intended to combat subsidised exports from the European Community.

Intelsat gives launch contract to China

By Nancy Dunne
in Washington

INTELSAT, the international telecommunications consortium, has for the first time in its 29 years granted a contract to China Great Wall Industry Corporation for the launch of an Intelsat satellite in 1995-96.

The contract - for the first model of a new Long March series - is contingent on the receipt of a US export licence. The US state department, which has authority over such export licences, has granted permission in the past for export of two Hughes satellites, launched by Great Wall, for Asiasat and Aussat, two regional systems.

Each licence application has to be considered separately, and approval will depend on the technology embedded in the satellite, a state department official said.

Mr Tony Trujillo, a spokesman for Intelsat, said the contract to China Great Wall is part of a broader plan by the new director general, Mr Irving Goldstein, to stress price saving and efficiency within the organisation to prepare for competitive threats posed by fibre optic cable and separate satellite systems.

Great Wall is selling its service for an unspecified "competitive" price, and Intelsat wants to diversify its launch suppliers, Mr Trujillo said.

The Intelsat board has also endorsed the introduction of medium-term and long-term debt into Intelsat's capital structure in order to reduce the average cost of capital.

Mr Goldstein said in an interview that he is now preparing for the "first foray" into the international capital markets.

"It's another part of our culture change," he said. "Instead of being 100 per cent equity-financed we will move toward a Eurobond offering in the third quarter of 1992."

Intelsat's basic telephonic service will grow "only modestly" on the high density routes connecting industrialised countries, he said. Its main growth for telephone services will be in eastern Europe and third world markets.

When Japan finds two's company, more a crowd

Robert Thomson on the pressure for bilateral deals

WHEN the US and Japan recently reviewed a co-operative financing programme in which Japanese money helps US companies to win third-country contracts, Mr John Macomber, the US Eximbank chairman, lauded Tokyo for a "tremendous" contribution that had led to better bilateral relations.

But the co-operative programme, which has seen joint project financing of about \$3bn in the past year, has also prompted questions about Japan's fondness for bilateral agreements and its commitment to the principle of multilateral trade.

The European Community has criticised the US-Japan semiconductor pact and the Structural Impediments Initiative (SII), among other bilateral agreements, while the lowering of Japan's "voluntary" ceiling on car exports to the US also drew attention to Tokyo's apparent willingness to give in to Washington.

On co-operative financing, Mr Irwin Chomsky, the executive director of export insurance at the Ministry of International Trade and Industry (MITI), said that the agreement was "not in any way exclusive", and the reason Japan has such co-operation with only the US is that "we have not received approaches from other countries."

Third country concerns over Japan's willingness to do bilateral deals at the expense of multilateral trade were heightened during President Bush's visit to Tokyo in January which resulted in a target for Japanese companies' purchases of US-made car parts and a widespread fear that the two countries had set an important precedent for managed trade. European car makers complained at the time, but the strongest criticism in recent weeks has come from Australia, which claims that its parts suppliers are unfairly losing out to US companies.

Austrade, the Australian government trade body, has formally warned Tokyo over "two to three" recent cases in which Japanese car makers have allegedly switched source-

ing to US companies as a result of trade pressure from Washington. And Mr John Button, Australia's industry minister, said "we would be concerned if this is going to be based on political considerations rather than commercial ones."

But Japanese officials insist they are as uneasy as their trading partners about bilateralism, and that the country is a firm believer in the benefits of multilateral trade.

Mr Noboru Hatakeyama, the ministry for international trade and industry vice-minister for international affairs, said Japan's commitment to the success of multilateral negotiations under the General Agreement on Tariffs and Trade was shown when it was one of only five countries to meet GATT deadlines last month for the submission of tariff reductions on manufactured and agricultural products.

A senior Japanese trade official said agreements such as that with the US on car components were an unwanted result of the "special pressures" arising from the importance of the two countries' relationship.

He and other Japanese trade negotiators insist that, while SII and the pact on semiconductor market share are the result of bilateral negotiations, the carefully worded agreements do not undermine the benefits for US companies. For instance, the chip pact, again becoming an issue in Washington, calls for a 20 per cent "foreign" share of the Japanese market by the end of this year.

But, as with another agreement on foreign access to the

construction market, Japanese companies sometimes interpret such pacts as an indication that they should "buy American" in the interests of reducing trade tension and of ensuring the US market remains open to Japanese products.

MITI, however, publicly insists that companies should make "commercial decisions" on foreign procurement.

In defending the country's multilateral reputation, Japanese officials point to the extensive work done on new areas such as trade-related investment measures (TRIMS) and trade-related intellectual property (TRIPS) as part of the Uruguay Round. Tokyo submitted a landmark discussion paper three years ago on trade-related investment, and has provided detailed submissions in the debate on intellectual property.

And the Japanese government said yesterday that it wants to end a bilateral agreement under which the US is able to monitor equipment procurement by Nippon Telegraph and Telephone Corp (NTT). The agreement, reached in 1980 when NTT was state-owned, has been renewed every three years since then, but Tokyo argues that the GATT provides sufficient guarantee of a fair procurement process.

These often difficult to digest contributions tend to be overlooked when the political focus is on Japanese trade statistics. Meanwhile, Tokyo has also been accused by some developing nations of trying to tear down the sorts of investment and trade barriers used to shield its industries during the formative years after the war.

Greece awards water contract worth Dr50bn

GREECE has awarded a Dr50bn (£152m) contract for a dam and tunnel project, to boost the Athens water supply, to a Greek-Austrian-Italian consortium of construction companies, writes Kerin Hope in Athens.

The consortium consists of three Greek companies, Aegeik, Domika Erga and Meton, together with Jager of Austria and Sella of Italy. The public works ministry said Aegeik and its partners submitted the lowest bid among six contenders.

The project calls for a 90-metre high earth dam across the Evros river in central Greece, together with a 30 km rock-cut tunnel to feed the Mornos reservoir north-west of the capital.

The ministry said work would begin in the next two months, with completion due by the end of 1995. The Greek state investment budget will initially finance the project, but negotiations are under way to secure additional funding from the European Community, a ministry official said.

The Evros project was planned to come on stream in the mid-1980s but was postponed because of a funding squeeze. A sharp decline in winter rainfall in recent years means Athens faces a severe water shortage at a time when demand is increasing by 8 per cent yearly, according to the city water company. At present, the Mornos reservoir contains only five months' supply of water. The government may have to revive an emergency plan to bring water by truck from the Evros if rainfall is light again this spring.

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NEWS: UK

ELECTION 1992

Major warns of threat to economy

By Alison Smith

THE STEEP fall in share prices that followed opinion polls indicating a strong Labour lead was used by Mr John Major yesterday to underline his warning that the economic consequences of a Labour administration would be calamitous.

"One rogue poll, a glimmer of thought that there might be a Labour government", and £1.3bn was wiped off share prices, he told Tory supporters in south London.

He insisted that the recovery had begun, and that only the possibility of a Labour win would stop it.

There was, he said in a radio interview, "clear anecdotal evidence, clear survey evidence" that the recovery had started, and he warned that Labour's readiness to contemplate inflation at the European average - currently 4.6 per cent compared with the UK's rate of 4.1 per cent - would add £2.5bn to the costs of industry.

Earlier, the Tory campaign

had suffered a further jolt with the remarkable absence of Sir David English, the editor of the Daily Mail, from Mr John Major's visit to the Daily Mail Ideal Home Exhibition.

Tory supporters were clearly taken aback by Sir David's non-appearance. He had been top of the list of invited guests, and party aides had said he would be present to greet Mr Major. A statement from Sir David's office said he had not been informed of the visit.

His non-attendance follows an editorial last Saturday that

was severely critical of the Tory campaign, although the newspaper has been one of the party's most effective supporters.

The editorial commented that the prime minister and his team had just 11 days left to "raise their game", and make clear to voters the choice between sound Conservative economic policies and Labour.

"If they do not do so, they will lose," it said.

Sir David's statement said that Mr Major's visit had been

arranged at the last moment for security reasons, and that information about it was kept strictly to Angez, the company organising the exhibition.

He is, in fact, seeing the prime minister this week for a lengthy interview, the statement ended.

The apparent tensions in the relationship between the Tories and the Mail came after the row about the Labour political broadcast on health last week, when Tory central office gave only to the Daily Express the Mail's middle-market rival.

the name of the consultant in the case.

In the afternoon, people who were able to "Meet John Major" at an informal question and answer session in Tooting, south London, heard the prime minister warn that "Labour can damage your wealth".

He contrasted the rise in living standards for the person on average earnings, taking account of inflation, under the Labour government of 1974-79 - by just £2 a week - with the rise of £66 a week since 1979.

THE ISSUES: ENERGY

Approaches to the future from opposite poles

By David Lascelles, Resources Editor

ENTIRE government departments are seldom at risk during elections. But the Department of Energy's future depends on next week's poll.

The Tories have threatened to wind the department up for good and all if they win, believing it has outlived its usefulness. Labour will keep the department because they think there is still much to be done on the energy front.

This shows how far apart the main parties are on energy. The Tories are committed to creating a free market in power and fuel which will remove any need for a central bureaucracy.

They have handed the gas and electricity industries over to Sid. If they survive to see through their planned early sell-off of British Coal, all that will be left in state ownership is the nuclear power industry, which is due for review in 1994.

But the story is not as close to its end as the Tories suggest. Recently there has been growing reaction to the consequences of privatisation, in particular the near-monopolies in power generation and gas and the strong influence they have on energy prices.

A future Tory government could face pressure to break these organisations up further. Allied to this is the question of whether the regulators are proving effective enough in keeping the utilities up to the mark. The Tories are promising to attack anti-competitive behaviour "with vigour" and introduce new legislation to deal with cartels.

Labour intends to take a more interventionist line. Much of its policy is based on the party's commitment to saving the coal industry which it sees playing a key role in a national energy policy.

This would mean guaranteeing a price for coal supplies and banning coal imports, which would save jobs but might also entail higher electricity bills. Although Labour

has given up any idea of rationalising the electricity industry it would restore public control of National Grid in order to reassert government power over electricity supplies.

But it is not clear quite what this means. Mr Frank Dobson, Labour's energy spokesman, seems to have backed off from a commitment to rationalise the grid.

Labour would try to husband North Sea oil and gas reserves by measures to encourage more efficient recovery from overseas wells, and put a brake on the "dash for gas" which is leading to the construction of a wave of possibly unnecessary gas-fired stations.

One of the biggest areas of uncertainty is nuclear power. The Tories are being cautiously non-committal. Their manifesto stresses "safe and economical nuclear power", with safeguards for the management of nuclear waste.

Labour would complete the one nuclear station still under construction - Sizewell B in Suffolk - but would build no more and would allow the industry to wither away.

The Liberal Democrats take the strongest line. They would stop Sizewell immediately and phase out all nuclear power by 2020. They also support proposals for an EC energy tax - something that neither the Tories nor Labour are keen on. If the Lib Dems got the energy portfolio in a coalition government they could have quite an impact.

Whichever party wins, we shall be hearing much more about energy efficiency, both to save fuel and spare the environment. The Tories will set up an Independent Energy Savings Trust to promote energy efficiency, and there may be new building regulations to improve energy use.

Labour goes one better: it will set up two new agencies, one for energy efficiency, one for renewable energy. But it will also require gas and electricity companies to play a leading role in promoting insulation and energy saving.

Outcome crucial for British Coal

By Juliet Sychrava

THE election will affect British Coal more than almost any other UK company. Under the Conservatives it will be privatised, and might eventually shrink to almost half its present size. Under Labour it would be a public company, and the bulk of its pits would stay open.

"If we are elected," says Mr Frank Dobson, the shadow energy secretary, "we would immediately stop any move to privatise British Coal, and reverse any moves designed simply for privatisation."

Labour would also protect British Coal's markets by a moratorium on building new gas-fired power stations, to force the electricity industry, British Coal's main customer, to keep buying coal.

Labour would further protect British Coal by restricting imports of foreign coal.

The Conservatives welcome competition from gas and imported coal because it will put pressure on British Coal prices, and thus on electricity prices.

If a Conservative government is returned, National Power and PowerGen, the generating companies, will probably announce plans to increase coal imports by building new terminals capable of handling around 40m tonnes by the mid 90s.

Whoever wins on April 9 will oversee the contract talks which will determine how much coal British Coal sells to the electricity industry.

A Conservative government would be more likely to induce British Coal to drop prices and tonnage sales to the generators, and to sign a one-year contract rather than the long-term agreement the company would like - and would get under Labour.

Rosie fights a mean time in Greenwich

Michael Cassell on the fortunes of some minor players in London

ROSIE BARNES momentarily drops her dimpled smile: "I am not the motherhood, apple pie and furry rabbit party. The remark was arrogant and condescending and it will backfire on him."

Such intemperate asides from Mrs Barnes are rare as she bustles from door to door in an heroic attempt to defy the political tide and hold on to Greenwich, the south-east London seat she took for the Social Democratic party in a 1987 by-election and retained months later in the general election.

Mrs Barnes was reacting to remarks about her attributed to Mr Nick Raynsford, who achieved his own by-election victory in Fulham in 1986 but proved somewhat less adept than his latest opponent in holding on.

Mr Raynsford is trying to regain Greenwich for Labour, backed by a party machine which has appeared efficient and effective across the capital. Mrs Barnes has no party behind her, furry rabbit or otherwise, though she has attracted from around the country the enthusiastic help of those for whom the flame of social democracy still flickers.

It may not be much comfort to her but she is not entirely alone in London's 84 parliamentary constituencies in pitching herself against the big battalions of the Labour and Tory parties.

Mr John Cartwright, the other surviving SDP "mould breaker" is defending nearby Woolwich while, further west along the Thames, Mr Simon Hughes is fighting for the Liberal Democrats in Southwark and Bermondsey, held by him since another famous by-election victory in 1983.

For all three, the outcome of the general election is particularly uncertain. The psephologists might forecast all three swept away by a resurgence in the fortunes of a Labour party which once regarded London as its own; Barnes, Cartwright and Hughes trust it is not quite as simple as that.

Each will be counting heavily on their ability to muster a significant personal vote, built on their record as active constituency MPs who have assiduously carried out local responsibilities.

In Woolwich, John Cartwright is "the man with time

for everyone" who has lived locally for 30 years, while Mrs Barnes, after 21 years in Greenwich, has an "almost intimate" relationship with her constituents. Simon Hughes is "100 per cent dedicated" to Southwark and "doesn't just work here - he lives here".

Mrs Barnes may be nearest to the brink of political oblivion. A swing to Labour of less than 3 per cent will be sufficient to see her off. She reckons the absence of any party label could knock 10 per cent off her potential vote but, against that, she is not being opposed by a Liberal Democrat rival and intends to tap for all it is worth an obvious fund of goodwill among local voters.

Her posters are everywhere and she is quickly recognised on run-down council estates once the exclusive preserve of Labour. She appears to have involved herself in the problems of countless individual voters, whether bed-bound pensioners or ex-convicts in need of accommodation.

Accordingly, her critics dismiss her as a glorified social worker, a description she partly accepts, before emphasising the added value of a seat in the Commons. If she wins, it will be an extraordinary tribute to her grass-roots diligence.

Though an even smaller swing to Labour will dislodge Mr Cartwright in favour of Mr John Austin-Walker, Labour's candidate, he may have a better chance of survival. His reputation is high and, like Mrs Barnes, he effectively capitalises on evident discontent over the record of the local Labour council, of which Mr Austin-Walker, a race equality officer, is a former leader.

National issues take second place or are translated into the particular problems of Woolwich. He accuses the leftwing council of imposing, because of its ineptitude, crippling increases in the cost of meals and home helps which will wipe out the benefit of any pension increases pledged by a Labour party cooing moderation at national level.

While Mr Austin-Walker concentrates on unemployment, training and education, Mr Cartwright complains of dirty pavements, closed libraries and swimming pools and calls on "wise Tories" to back him in a seat which the Conservatives have not won in more than 70



Rosie Barnes, angry at charges from her Labour opponent that she represents the 'furry rabbit party' canvasses Doris Hunt, at home with her dog on the Charlton Estate

years. He has the personal endorsement of Dr David Owen, the former SDP leader - not necessarily an entirely helpful gesture - and could take the Liberal Democrat whip in the Commons if he wins again.

In Southwark, Mr Hughes mixes a careful blend of parochial and parliamentary issues. He is portrayed both as the caring, local boy with more than 10,000 cases on his books and as a politician with a national profile gained by the demands put upon individual

MPs in a small Westminster party. Mr Paddy Ashdown, his leader, has been seen in the constituency more than once.

He holds a majority of 2,779 over Labour, represented by Mr Richard Balf, the MP and former leading light in the old Greater London Council who once sought selection in Greenwich. Mr Hughes, too, is exploiting disenchantment with the Labour council and fights on issues such as street lighting and pensioners' bus passes, while simultaneously pushing the party line on

national issues. The biggest issue, according to a constituency worker, is "housing, housing and housing".

Mr Hughes should survive, though all three London candidates defending seats not already claimed by the two main parties at least face the possibility of seeing years of constituency work come to naught in the wake of national forces beyond their control.

All will be hoping that the capital is big enough to give them another crack of the whip.



Let's form a coalition and attack the Lib Dems

Mellor condemns sell-off 'muddle'

LABOUR was accused yesterday by Mr David Mellor, chief secretary to the Treasury, of creating "muddle and confusion" over its privatisation plans, Peter Marsh writes.

Mr Mellor called on Mr Neil Kinnock, the Labour leader, to clarify whether a Labour government would announce new privatisation schemes on top of those already in the pipeline.

He suggested that if Labour took power and failed to go ahead with new privatisation programmes, the public-sector accounts would be a further £9bn in deficit over the next two years. Mr Mellor said the Tories planned to gain £8bn from sell-offs in this financial year, followed by £5.5bn in both 1993-4 and 1994-5.

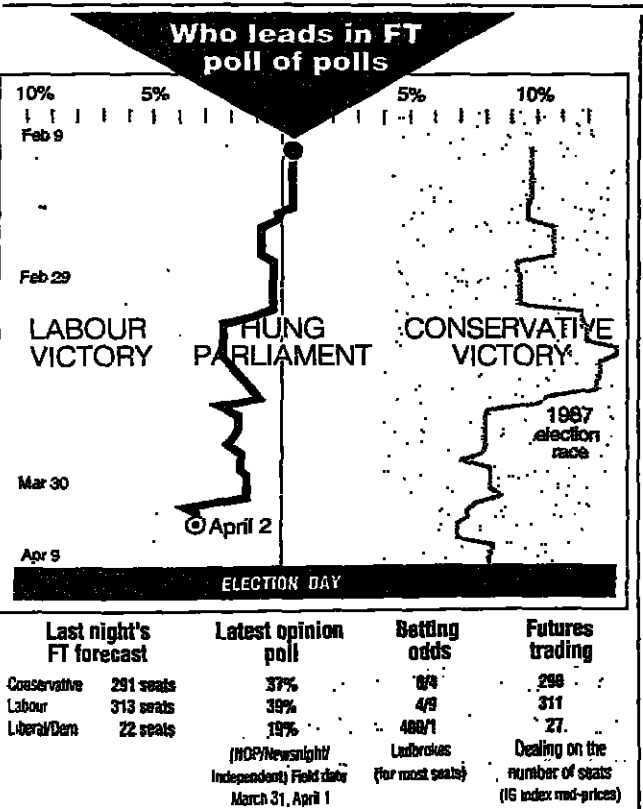
Labour takes lead in Fields' seat

A POLL by the Liverpool Echo newspaper last night suggested Labour is well ahead of the Liberal Democrats and Mr Terry Fields, the expelled Millant supporter, in the city's Broadgreen constituency.

Ms Jane Kennedy, the official Labour candidate, has 43 per cent support of those who have decided, with Ms Rosemary Cooper, the Liberal Democrat, on 28 per cent. Mr Fields, standing as Labour Socialist, has 16 per cent.

Yardley upset

YESTERDAY'S Birmingham Evening Mail gave Labour a strong lead in a poll in the marginal Birmingham Yardley seat, held by Mr David Gilroy Bevan for the Conservatives. The poll by Quality Fieldwork gave Labour 40 per cent (up from 36.5 per cent in 1987), the Conservatives 35 per cent (42.6 per cent) and the Liberal Democrats 24 per cent.



* Weighted average of 50 most recent opinion polls computed daily. Does not include telephone polls, panel polls and those that omit sample size or field dates. The graph compares the parties' leads at similar points in the last campaign. The middle line marks level-pegging. If the black line moves left, Labour leads. The Tories lead if it goes to the right.

Nationalists strive for elusive final breakthrough

The SNP is stuck at around 27% in the polls, writes James Buxton

MR ALEX Salmond, leader of the Scottish National party, yesterday came close to admitting that the party is unlikely to succeed in its aim of winning a majority of seats in Scotland.

"When you are in a race you conduct yourself on the basis that you are going to win," he said. "But I fully concede that it would be a substantial task to obtain and sustain a mandate for independence over the next week."

The SNP is stuck in the opinion polls at around the 27 per cent mark which it reached and slightly exceeded in early February. To win the election in Scotland and take 37 of the 72 Scottish seats, it needs about 40 per cent of the vote.

Last night Mr Salmond welcomed a poll which suggested SNP support had reached 31 per cent, but this was dismissed by other parties as being out of line. The poll was carried out by Market Research Scotland and commissioned by the Aberdeen Press and Journal and Grampian Television.

According to most polls, the party may add about half a

dozen seats to the five it already holds (one of which, Dunfermline West, came to the SNP with the defection of a Labour MP and looks likely to return to Labour).

Yet the likely tally of seats belittles the party's achievement. The SNP could match its performance of October 1974, when it won 11 seats with 30 per cent of the vote. It has doubled in popularity since the 1987 election, when it had only 14 per cent of the vote and took three seats. That rose to four when Mr Jim Sillars won Glasgow Govan from Labour in a by-election in 1988.

Although it has policies on virtually everything, the SNP's first aim is independence.

This means it can often command a degree of commitment among large numbers of sympathisers which in other parties would only be expected from regular party workers. Sometimes the SNP resembles a covert resistance movement: people in senior positions confess in private to helping the party, but are unwilling to be

identified publicly with it. This election is crucial for the SNP. The main issue in Scotland is the country's constitutional future and the SNP believes it offers the best chance in a generation of Scotland winning independence.

Since 1987 the SNP has carefully laid the foundations for success. It adopted the policy of seeking independence as a member of the European Community, which reassured those who believed it wanted Scot-

land to sail off into isolation. Its leaders, Mr Salmond and Mr Sillars, are highly able and, in the case of the latter, almost charismatic. It has abandoned any association with 'tartan and haggie' nationalism, and talks mainly about economics. Above all, it offers a reasonably clear message.

If the SNP wins a majority in Scotland, it will claim its mandate to negotiate independence from London, then put the terms to a referendum. It

would then hold elections under proportional representation to the new Scottish parliament and would hope to win.

But the SNP campaigns simultaneously on its independence platform and on the policies it would implement if elected to run Scotland. It would withdraw from the Trident nuclear weapons programme and inject £9.8bn of public spending into the Scottish economy over four years to get unemployment down from 9 per cent to zero.

The main aim is to attract the Labour-voting working class in the industrial central belt. Somehow the party manages to finesse the fact that these policies are not tailored for its supporters in rural north-east Scotland, where three of its five seats are and where its main opponents are Tories or Liberal Democrats.

To an extent the strategy is working. The SNP has strong support among the young, rock stars such as Pat Kane of the group Hue and Cry, Actor

Sean Connery has done voice-overs for election broadcasts. In the post Glasgow constituency of Hillhead, held by Mr Roy (now Lord) Jenkins before he lost it to Labour in 1987, a System Three poll this week showed SNP support up from 6 per cent in 1987 to 22 per cent.

But though the party says "no Labour seat is safe", Labour's majorities still look too big for the SNP to scale. There is a disappointing gap between the SNP's 27 per cent in the polls and the 35 per cent who back independence, suggesting that independence supporters back Labour or the Liberal Democrats.

The SNP still nurses hopes that the Tories may look set to win the election in Britain and trigger a last minute flight of Labour voters. It hopes to win urban Labour seats such as Kilmaronock, Paisley, Motherwell South and Clackmannan, as well as Dundee East, which it lost in 1987. But its best hopes lie in taking three Tory-held rural seats, including that of Mr Ian Lang, the Scottish secretary, in Galloway, and in wresting Argyll & Bute from the Liberal Democrats.

Quotes of the day

ELECTION 1992

Kinnock disappoints Lib Dems over PR

By Ralph Atkins

MR NEIL KINNOCK yesterday announced that a Labour government would invite other politicians to join its planned inquiry into electoral reform, as the party unveiled further details of its programme for constitutional change.

However, if the Labour leader's gesture was intended as an olive branch, it fell short of the demands of the Liberal Democrats.

Mr Kinnock said Labour wanted a broad consensus behind any proposals for change and to allow the British

people to express their view, almost certainly via a general election under the present first-past-the-post system.

In contrast, Mr Paddy Ashdown, Liberal Democrat leader, said he would not join a coalition government unless there was a commitment to legislation for proportional representation in the first Queen's Speech of the new government.

He envisaged agreement on details in time for a Bill to be introduced in the first session of parliament. A referendum would then take place after the legislation had been approved by

MPs but before it came into effect. Mr Kinnock saw no chance of the party's committee on electoral reform, chaired by Professor Raymond Plant, reaching a conclusion in time for the Queen's Speech. The next interim report from the committee was not expected until the party's annual conference in the autumn, he said.

On the election of a Labour government "extra authority" would be given to the committee.

There would be invitations sent to other political parties and to representatives of the churches, trade

unions, and business, Mr Kinnock said. He declined to give his views on proportional representation, however. "The whole purpose of the exercise in the first place was to gain the most thorough and comprehensive analysis and to make recommendations on the basis of consensus," he said.

Asked if he would hold a referendum on any changes, Mr Kinnock replied: "In the event of any proposals coming forward of significant change, it is the British people who will have the power of decisions."

He added: "The way that we make

decisions of that nature, conventionally in the British system, is by process of general election. That remains my preference. It always has been."

Later, Mr Roy Hattersley, deputy party leader, set out how Labour would, immediately on coming into office, require senior government appointments to be examined by all-party committees in the Commons.

He said Labour would protect individual rights with a comprehensive "Charter of Rights" made up of specific acts of parliament. It would cover equal treatment under, and

access to, the law; rights of women; and the rights of ethnic minorities. Other Labour proposals for constitutional reform included a Freedom of Information Act, the replacement of the House of Lords with an elected second chamber, Scottish and Welsh parliaments, and a review of the criminal justice system.

Mr Hattersley reaffirmed that Labour favoured fixed-term parliaments but allowed himself a let-out in the case of a hung parliament. An early general election could be called in "specific and well defined circumstances," he said.

C2s cheer electoral reform supporters

By Andrew Adonis

IT'S the C2s - those semi-skilled workers allegedly flocking to Mr Neil Kinnock's banner - rather than the chartering classes who are in the vanguard of the movement for constitutional reform.

So proclaimed Charter 88 yesterday at the launch of its "Democracy Day" - a reform crusade involving more than a hundred meetings of election candidates in pubs and halls across Britain last night.

Electoral reform, freedom of information and incorporation of the European Convention on Human Rights into English law may not yet be the talk of the street over a pint in The Rover's Return, but Charter 88 says it's the C2s who are keenest to bring down the whole rotten system.

To prove it, Professor David Marquand, very much an A1 from Sheffield University, appeared at a meeting in London brandishing findings of an NOP poll, conducted for Charter 88 in the first week of the election campaign. These revealed that of all social classes, semi-skilled workers were most dissatisfied with the existing political system.

Asked if they thought Britain's system of government "could be improved quite a lot" or "needs a great deal of improvement", 50 per cent of A2s and B2s agreed, 63 per cent of C1s did so, but 75 per cent of C2s assented.

The proportion of C2s believing the system "works well and could not be improved" was too small to figure - but then of the whole sample only 3 per cent subscribed to that view. Quite what changes the C2s want was not explored, but Professor Marquand is convinced they are not only right but deeply wise.

"The parties are shouting themselves hoarse about economic and social issues about which they can do little - and ignoring concrete constitutional reforms within their grasp," he said.

Ignored or not, Mr Peter Pulzer, professor of government at Oxford, was convinced they would dominate the next parliament. "This election is the beginning of the end of unrepresentative and over-centralised government in the UK," he said gravely.

It was a line cheered from across the bar by Mr Graham Mather, erstwhile director of the Institute of Economic Affairs.

"Supporters of market economics are increasingly recognising that the advances of the 1980s need to be followed by tackling institutional problems in the 1990s," he said.

Nodding vigorously, Ms Beverley Anderson, Charter 88's chairperson, stressed the number of Tories taking part in last night's debates.

Who knows, before long they might even climb on to soap boxes and start preaching the virtues of the single transferable vote in multi-member constituencies.

Editorial Comment, Page 14

Labour's fear of the dreaded 'D-word'

IN Mr Neil Kinnock's Labour party it has become known as the "D-word". Those brave or foolish enough to speculate about devaluation within Mr Kinnock's earshot receive the kind of reception that Mrs Margaret Thatcher once reserved for friends of European federalism.

His mind has become as closed to the possibility of a post-election devaluation of the pound as was Mrs Thatcher's to the infamous "F-word" which provided the trigger for her downfall as prime minister.

As the election campaign has unfolded, Mr Kinnock has become firmer and firmer in his public rejection of the notion that a lower exchange rate might have a part to play in his economic strategy.

Yesterday he underlined again that a Labour government would "do what is necessary" to maintain sterling's parity within the European exchange rate mechanism. What is necessary includes, as a last resort, putting up interest rates.

The logic behind such statements - echoed daily by Mr John Smith, the shadow chancellor - is obvious. If Mr Kinnock wins on April 9 it will be because he has persuaded enough of the electorate that his party has crafted at last a credible approach to running the economy. To admit that it might contemplate a fall in the

pound's value would undercut decisively any such claim.

Yet as the prospect of a Labour victory has increased, Mr Kinnock's public pronouncements on sterling have been mirrored by a hardening of his private thinking.

Colleagues in the shadow cabinet - including those more favourably disposed to the notion that the pound might be overvalued - believe that Mr Kinnock in Downing Street would not change his mind. Like Mr Harold Wilson in the 1960s, he has become mesmerised by the notion that devaluation is not an option for a Labour government. It is a view that has been shaped by a coincidence of short-term political judgment and of his broader personal philosophy.

Mr Kinnock consistently has not said that he believes that the rate at which Mr John Major set sterling's value against the D-Mark in October 1990 was the right one. Some of his closest advisers think that DM2.95 was too high.

But the pragmatism that has persuaded him to reject the possibility in opposition has convinced Mr Kinnock that he could not devalue once in office. His argument - shared by Mr Smith - is that even if the exchange rate was set at too high a level in the ERM 1990, the costs of realignment would far outweigh the benefits.

By breaking its pre-election pledge, Labour would undermine immediately its credibility in financial markets.

Instead of allowing a fall in interest rates, it would force borrowing costs higher, in turn wrecking the party's long-term programme to encourage investment. It might take years to regain the markets' trust.

Devaluation would be interpreted also as a sign of weakness by union negotiators and the newly appointed ministers in Whitehall spending departments lined up against a Labour chancellor.

It is here that the practicalities fit in with Mr Kinnock's broader political outlook. The experiences of his party's defeats in 1988 and 1989 have shaped an outlook instinctively repelled by soft options.

His assessment of the past failures of his party, and of previous Labour governments, is that they were too easily seduced by "alibis" - an instinctive preference to avoid taking hard decisions. Mr Kinnock's view is that devaluation would fit into that category - a temporary but ineffective and ultimately destructive refuge against economic reality.

The Labour leader cannot rely on the coincidence of personal conviction and political judgment to put to rest a post-election debate about devaluation.

If Mr Kinnock wins the elec-



Setting his sights: shadow chancellor John Smith has repeatedly pledged that Labour would not devalue the pound

tion, the financial markets cannot be guaranteed to take him at his word. If the markets demand a rise in interest rates as proof of his resolution, there will be some in his cabinet who will demand that the devaluation option is discussed.

He can claim justly that the case for devaluation put in a

recently leaked policy paper by one of Mr Smith's advisers has no official status. Mr Andrew Graham, the Oxford don, delivered the paper two years ago - before sterling had been put in the ERM and before the recession.

Even so, its analysis - suggesting that the combination of

a lower pound and a tighter fiscal policy would be the most effective way of re-establishing a more competitive economy - is shared by some of Mr Kinnock's colleagues.

Mr Kinnock could of course follow Mr Wilson's example and forbid debate of devaluation in his cabinet. The most

powerful of his colleagues would support him. They believe that even if it meant higher interest rates, the Labour leader would stick to the strategy. Not all, though, would be sure that it was a price worth paying.

Philip Stephens

CBI attacks shadow Budget

By Peter Norman, Economics Correspondent

LABOUR's plans for a sharp increase in the taxation of individuals earning more than £20,000 a year could abort economic recovery and turn the UK's recession into a slump, Sir John Banham, director-general of the Confederation of British Industry, warned last night.

Although Sir John took care not to mention Labour by name, his unusually blunt speech made clear that Labour's taxation policies were the object of his attack. He told business executives in Sheffield that Labour's tax plans could result in a further fall for house prices and consumer confidence. Jobs would be lost throughout the UK as home-

owners and taxpayers cut their spending, "perhaps by as much as £20bn", he said.

Sir John, who will soon retire from the CBI, added that Labour's proposals for a national minimum wage "would rekindle inflation". The party's policies would damage the UK's competitive position and could hinder inward investment. He warned that CBI members would put their UK investment plans on ice in the event of Labour's policies being enacted, adding that "the freeze might be a long one".

Shortly before Sir John spoke, a survey of business leaders by COBA, a management consultancy group, indicated that Labour has failed to win business support for its economic policies.

In a poll of 100 top executives

in industry, banking and commerce, the group found that 73 per cent thought that their company would be directly affected by a change of government, compared with 38 per cent when the same sample was polled in 1980.

After netting out positive responses, COBA said a balance of 49 per cent expected a change in government would result in falling revenues for their company, while a net 48 per cent expected to cut employment. On balance, around four out of 10 executives expected to cut investment plans and become more risk-averse if the Conservatives lost the election. A net one in four forecast worse labour relations and indicated that they would consider shifting some of their operations abroad.

The survey was conducted after the publication of Labour's shadow Budget and contrasted with COBA's 1990 survey, when the majority of respondents felt that a change in government would be unlikely to affect their own industry.

In the latest survey most executives interviewed by the consultancy thought that a Labour government would be bad for the UK economy. A net 81 per cent of interviewees expected interest rates to rise.

On balance, 64 per cent expected sterling to fall and inflation to rise, while 62 per cent of the executives interviewed forecast that corporate profitability would fall under Labour and a net 46 per cent said they expected lower productivity.

Green issues high on opposition agenda

By John Hunt, Environment Correspondent

LABOUR's first Budget would be accompanied by a "green book" setting out the environmental impact of the measures proposed - the environmental equivalent of the traditional red book, which outlines the financial consequences of Budget measures.

Mrs Ann Taylor, Labour's environment protection spokeswoman, said yesterday that the environmental implications of all other proposed legislation would also be clearly set out.

Labour wants to make environmental considerations part of the machinery of government. Measures of this type

have long been advocated by "green" pressure groups.

The undertakings are in Labour's environmental programme, A Clean Start, published yesterday. It lists 18 proposals the party would put into action in the first 50 days in office.

It is proposed that the regulators of the gas and electricity companies would impose obligations on them to become "energy services companies" rather than businesses whose profits come from maximising energy sales.

Mr Bryan Gould, shadow environment secretary, promised a new environmental protection agency to set and "rigorously enforce" pollution standards.

by: "Play the Wimbledon general election quiz with Charles Goodson-Wickes."

"Q1: Which two Johns, in their time, knew the buildings at Rutlish very well?"

"Q2: In which year did Horatio Nelson move to Merton Place?"

"Q3: Where is the All England Lawn Tennis Club thinking of moving to, if the Labour council doesn't help them?"

"Q4: How many Liberal councillors are there on Merton Council?"

Quite how asking these questions - to which answers are not provided - will help Goodson-Wickes is not clear. On the other hand, he should not need much help. He won just over 50 per cent of the vote last time, with the old Alliance down at 27 per cent in second place.

Teachers' vote

SHOULD John Major fall under a bus next Thursday, it is said that Kenneth Clarke would not mind applying for the vacancy.

This week's ICM poll of teachers - his flock as education secretary - won't exactly boost his chances. It showed that after 18 months of bullying from Clarke, Tory support among Britain's 450,000 teachers has plummeted to 30 per cent - against 51 per cent for Labour. In the halcyon days of 1979, polls showed 45 per cent of the nation's teachers behind the Thatcher banner.

"They're voting for a quiet life," was the characteristically robust response from the education secretary.

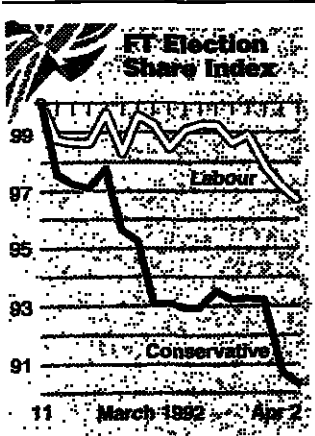
Beat the SNP

THE BATTLE of the posters is hotting up. According to Concord Posterlink, the UK's largest specialist outdoor buying agency, Labour has been using 2,200 sites nationwide. The Conservatives are dominating, with 4,500 sites and the Liberal Democrats a poor third with about 500.

Perhaps the most revealing finding of Concord's intelligence-gathering is in Scotland. The Scottish National Party has occupied only 110 sites but the other parties have vastly increased their Scottish blitz. Out of some 9,000 large hoardings, more than 1,000 are now taken up with political advertising. Who says the SNP hasn't got the others running scared?

Computer data

THIS IS the first general election in which the political parties are making widespread use of computers, as the article on the Technology page (page 12) today shows. But corporate computer systems can also be used for political purposes. The UK managing director of a well known international computer company has sent staff a spreadsheet and asked them to fill in their salaries. The system then tells them how much worse off they would be under Labour.



● Labour win/Conservative defeat stocks... 96.82 - 0.25
● Conservative win/Labour defeat stocks... 90.18 - 0.58
● FT-SE (rebased)... 95.57 - 0.13

SINCE the campaign started shares that might benefit from a Tory victory have dropped close to 10 per cent. Those which might gain if Labour comes to power are 3 per cent down. "Conservative gainers" dropped over 1/4 a point yesterday, while "Labour gainers" fell by 1/4 a point. The big losers among Conservative stocks were S.G. Warburg, the investment bank, down 5p to 483p; and Whitbread, the brewer, down 5p to 386p. The big loser on the Labour side was ICI, down 15p to 1,224p.

Quotes of the day

I don't favour PR, I wouldn't introduce PR, and there are no circumstances in which I will introduce PR

John Major

He (John Major) is a grey man who wears a lot of grey suits which he always manages to make look as though they came from the high street

GQ magazine style editor Peter Howarth

Neil Kinnock does not have an elegant personality. He has a boyo look and he will never look very good no matter what he wears.

British Style magazine editor John Taylor

It's nice to be in Devon again Paddy Ashdown to a supporter in Saltash

It's Cornwall Supporter in Saltash to Paddy Ashdown

Ashdown warns against minority government

By Ivor Owen

MODERATE Conservative and Labour voters should deny both Mr John Major and Mr Neil Kinnock the opportunity to form a minority government after the election, Mr Paddy Ashdown, the Liberal Democrat leader, said last night.

He told a rally in Eastbourne, East Sussex, that neither Mr Major nor Mr Kinnock would have the right to try to go it alone in a hung parliament, and that pressure from within the Conservative or Labour party could ensure a coalition government, involving the Liberal Democrats.

He reaffirmed that such a coalition would have to introduce a bill authorising the introduction of proportional representation as a replacement for the present first-past-the-post voting system in the first session of the new parliament.

Mr Ashdown's speech came after a visit to Cornwall and Devon produced evidence that Mr Major's warning that the Liberal Democrats could put Mr Kinnock into 10 Downing Street could rebound on the Tories.

There were indications of Conservative candidates fearing that Labour supporters

could interpret the warning as encouragement to switch to the Liberal Democrats.

As soon as Mr Ashdown crossed the River Tamar into the Cornwall South East constituency, Liberal Democrat activists assured him that they were poised to repeat their February 1974 victory, when a combination of Tory defectors and tactical voting by Labour supporters defeated Mr Robert Hicks, the sitting Conservative.

Mr Hicks regained the seat in October 1974 and has held it since, but his confidence that he will beat off the Liberal Democrat challenge next Thursday does not appear to be shared by some of his party workers.

Envoied by favourable reports from other Cornish constituencies, Mr Ashdown brushed aside statements by Mr Major that he would never be a party to introducing proportional representation - the Liberal Democrats' key objective.

Mr Ashdown, buoyed by the findings of recent opinion polls and the response he has received on his nationwide election tour, told a rally in Eastbourne last night that a vote to replace Mr Major with Mr Kinnock would not be enough.

He dismissed Labour's slogan "time for change" and said Mr Kinnock was not seeking "total abolition".

Mr Ashdown added that a Labour victory would be a return to the old system with a "gang of playground bullies" using their strength to grab Buggins' turn to do whatever they like.

It would be a return to so-called "strong government" which refused to accept the verdict of the ballot box and told people they had wasted their votes.

Mr Ashdown described the poll tax as a "cocktail of misbegotten, miscalculation and mayhem" dispensed by Mrs Margaret Thatcher because "the lady loved her power - and loved it absolutely".

He warned that a Labour government would also be likely to abuse unfettered power.

Mr Ashdown called on Mr Kinnock to stop "wobbling on the fence" and make it clear whether he would support the introduction of proportional representation. He declared that the Liberal Democrats would insist that next week's election would be the last to be held in Britain on "an unfair, out-of-date and inefficient voting system".

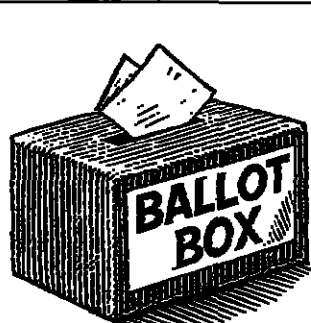
Unions go on holiday

THE PROFILE of Britain's union leaders in the election campaign has been low to the point of invisibility. Indeed, some of the leaders of organised labour have been taking the opportunity to take holidays before, as they hope, returning to share power with a Labour government.

Bill Jordan, the president of the Amalgamated Engineering Union (AEU), has just returned from a week in the Canary Islands with his wife. Meanwhile, a group of 10 senior officials from the AEU, the GMB general union and the TGWU general union have just set off for a short golfing holiday in Portugal.

In spite of the TUC's unprecedented forgetfulness about formally endorsing the Labour party, one or two union leaders have been quietly doing their bit to get the vote out in their own unions.

John Edmunds, leader of the GMB, Rodney Bickerstaffe, leader of NUP, the public services union, and Bill Morris, leader of the TGWU, have been the most active. But the leaders of the proudly independent AEU have been behind their desks working quite normally - at least when they are not on holiday.



Honest man

THE CHAIRMAN of one ward Conservative association in north-west England said yesterday: "Our whole strategy now is just to get our vote out. We are not trying to convert anyone. Any change we are discovering on the doorstep is the other way - to the Liberal Democrats or Labour. The game is being played in our hall, not theirs. Defence is now our only option. We are very disappointed with the performance of Central Office. Lamont has been a disaster and Heseltine under-used or wasted. Hurd seems to have played little role, despite the wide respect he commands. And I'm afraid John Major looks far too much like a civil servant."

Tory quiz

THE CAMPAIGN is testing candidates' ingenuity to its limits, if this flyer from the Conservative candidate in Wimbledon is anything to go

Labour is poised to make gains in the west Midlands, write **Richard Donkin** and **Paul Cheeseright**

servatives are short of ammunition on the doorstep. The choice of daily themes from Central Office seems to bear little resemblance to the reali-

everybody out of existence have a hollow ring in a relatively low-wage economy; according to the West Midlands Low Pay Unit, 45.2 per

If the Conservative campaign has been undermined by recession, Labour's message has ar-

The second reason relates to

recent economic record. However, its well-tuned campaign machine will have to work hard to get the voters out.

with pseudomoney, or even reality. They reflect only one thing: the weight of money cascading into the counting-houses.

Edgware, apparently, telling everyone to back the Lib Dems and then go and vote for them. We have got to be careful."

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certainly impressed quite a few.

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LLOYD'S OF LONDON

Investigators unearth irregular transactions

By Richard Lapper

UK investigators have unearthed evidence of irregularities at syndicates formerly managed by Gooda Walker, an agency at Lloyd's of London which managed some of the worst loss-making syndicates in 1989 and 1990.

According to evidence presented by the troubled insurance market to the Commercial Court in London yesterday, the Gooda Walker agency failed to disclose reinsurance transactions aimed at shoring up its business, which went into liquidation last year.

The discovery is likely to have serious implications for the legal battles between Names - the individuals whose capital backs insurance business - Lloyd's and their agents.

Names are insisting that cash calls needed to pay £200m in losses made by the Gooda Walker syndicates in 1989 should be frozen while investigations continue.

The evidence of irregularities was discovered by GW Run Off, an agency set up to manage the affairs of Gooda Walker and is contained in an affidavit presented by Lloyd's to the Commercial Court on Tuesday.

Lime Street Underwriting Agency, the Lloyd's members' agency that went into liquidation in early March, told its Names it had not renewed its indemnity insurance nearly one month after the policy had expired, in spite of an instruction from Lloyd's to do so at once. It emerged yesterday: Notification came in late July last year, although the policy had lapsed in June. By then, legal claims for liability by Names against the agency may have been hindered.

It indicates a series of accounting irregularities at Gooda Walker, centering on the use of so-called time and distance policies. These allow syndicates to reinsurance liabilities with outside reinsurers.

Before its liquidation last year Gooda Walker managed six syndicates which mainly specialised in catastrophe reinsurance. Evidence disclosed by the affidavit suggested that the agency used cash obtained from one syndicate's time and distance policies to meet cash flow difficulties at another of its syndicates.

Yesterday Mr Alan Lord, chief executive of Lloyd's, said

that GW Run Off, a company formed to manage the syndicates, had exposed "a number of transactions which appear to have rather odd and perhaps damaging consequences for Names."

In spite of the new information, however, Lloyd's would continue to press Names "to pay cash calls and if necessary draw down the deposits." Failure to meet claims from its policy holders will further damage the insurance market's tarnished reputation.

This means that the legal action by 820 Names who are seeking court injunctions to prevent Lloyd's from drawing down their deposits will continue next Monday.

"I do not think it will change our prospects of succeeding in our ability to draw down on Names' deposits. It will not change the substance of our case," Mr Lord added.

The case in which the Names are being represented by Michael Freeman & Co, was adjourned on Tuesday to allow both sides to consider the new evidence.

The Gooda Walker Action Group, some of whose members are party to the Freeman action, may now mount their own separate legal action.

Britain in brief



Stores hit by rise in default on payments

THE number of bouncing cheques in the UK has increased sharply, with high-fashion stores being particularly vulnerable, according to a company that guarantees cheques for about 37,000 retailers.

The risk of default is nearly twice as high with business cheques than with personal cheques, reflecting the difficult commercial climate, Birmingham-based Transax says.

Transax reported that for every 10,000 cheques covering sums higher than the normal bank card guarantee limit of £50 which passed through the retail and banking system last year, 67 personal cheques and 114 business cheques bounced.

Airlines carry less passengers

The number of UK airline passengers fell last year by 6.5 per cent to 86.5m compared with the year before, reflecting the combined effects of the Gulf War, the Yugoslav crisis and the recession, according to UK airport statistics published yesterday by the Civil Aviation Authority.

It was the third decline in UK passenger numbers in the past 25 years. They fell by 7.4 per cent in 1974 and by 0.1 per cent in 1981.

New business magazine

The Economist Group has announced it has reached agreement with Diamond Incorporated to jointly launch a new Japanese-language magazine early next year.

To be called Global Business, it will be aimed at internationally-minded senior Japanese business executives, with an initial circulation of some 15,000 and published every two weeks.

The magazine's editorial content will split three ways: one third will be translations of articles from The Economist; another third will deal with international business and finance; the final third will focus on domestic Japanese issues. Pearson, publisher of the Financial Times, owns 50 per cent of The Economist; the other 50 per cent is owned by some 200 individual shareholders.

Sony to move

Sony (UK), the distributor of Sony electronic products in the UK and Ireland, announced plans to relocate its headquarters to a business park at Weybridge, south of London.

Trafalgar House, the developer, says it is the largest office pre-let on a UK business park. About 550 Sony staff will relocate to the building at the end of next year.

UK reserves fall by \$7m

Britain's gold and foreign currency reserves fell by an underlying \$7m last month, indicating that there was no need for the Bank of England to support sterling in the exchange rate mechanism.

The Treasury announced that the overall level of reserves fell in March by \$445m to \$44.31bn, largely because of repayments of \$437m of borrowings under the exchange cover scheme.

The slight decrease in the underlying reserves was calculated after the deduction of \$67m for gold restored by Lithuania and Estonia and the receipt of \$14m in contributions from non-combatant countries to Britain's costs in last year's Gulf War.

Branson wins radio licence

Independent Music Radio, a joint venture between TV-am and Mr Richard Branson's Virgin group has been awarded the second national commercial radio licence despite being only the second highest bidder.

The Radio Authority, the regulatory body for the commercial radio industry, rejected Independent National Broadcasting Company's (INBC) \$401m a year bid for the pop music franchise.

The official reason given was that under the terms of the 1990 Broadcasting Act the Authority was not satisfied that INBC would be able to sustain its service over the length of the licence.

UK insolvency holds steady

The number of companies passing into administration and receivership for the first three months of this year in England, Wales and Scotland held at the same level as last year, according to figures from Touche Ross. Insolvency practitioners were appointed administrators and administrative receivers to 1,568 companies in January to March 1992 compared with 1,563 in for the same period last year.

NHS rated as satisfactory

Two-thirds of people appear to be satisfied with the way the National Health Service is run according to a survey published by the King's Fund Institute, the independent health service think tank. Less than a fifth are dissatisfied.

The survey, carried out among 2,165 people in February, showed 64 per cent were satisfied with hospital in-patient services, and 60 per cent with out-patient services.

Award for hospital chief

The chief executive of a leading cancer hospital has become the first candidate from the public sector to win the prestigious Veuve Clicquot Businesswoman of the Year award. She is Miss Phyllis Cunningham of London's Royal Marsden Hospital.

BCCI clients attack Manx payment plan

By Sue Stuart

A SCHEME to compensate depositors who lost savings in the Isle of Man branch of the Bank of Credit and Commerce International fails to offer the same rights against the collapsed bank as a similar scheme in mainland Britain, former BCCI clients claimed yesterday.

More than 5,000 depositors in the Manx branch of BCCI, which closed with approximately £30m on deposit, have been warned that a repayment scheme drawn up by the island's Financial Supervision Commission could mean they had less redress than claimants using the UK depositor protection scheme.

Although the Manx scheme offers the same maximum compensation level offered on the mainland - £15,000 - it also asks depositors to transfer any rights or claims in respect of BCCI, the liquidation and the government of Abu Dhabi contribution fund to the scheme manager.

A spokesman for the BCCI Depositors' Protection Association said yesterday that under the UK protection scheme depositors are asked to relinquish their rights only in respect of the liquidation and not in respect of the proposed Abu Dhabi scheme.

He said the association's legal advisers are investigating the difference between the Manx and UK schemes.

Mr Jim Noakes, director of the Isle of Man Financial Supervision Commission, the island's scheme manager, said there is no guarantee the Abu Dhabi scheme will go ahead.



George Russell: criticises TV takeover rules

Television chief attacks takeover rules in Europe

Mr George Russell, the chairman of the Independent Television Commission (ITC) last night attacked the rules allowing EC companies to take over ITV rivals when British companies could not control broadcasters in most other Community countries, writes Raymond Snoddy.

In theory from 1994 all 16 independent TV licences in

Britain could be held by European companies based outside the UK. "That's only acceptable if British companies are given the same opportunities in Europe," Mr Russell said. Speaking at the annual Fleming Memorial lecture in London, he also gave support to the growing arguments that there should be fewer and larger ITV companies.

British homebuyers seek value for money

David Barchard examines claims that property valuations are depressing the market

LAST AUTUMN, Britain's mortgage lenders and estate agents thought the recession in the housing market had reached a plateau and that recovery would soon follow.

They underestimated the depth of the downturn. Between November and January house prices fell by more than one percentage point each month, according to two house price indices published by the Halifax and Nationwide building societies.

On Tuesday this week, Nationwide building society - one of the leading lenders - published figures showing that prices fell again in February. But the fall was just 0.2 per cent, encouraging some observers, notably Halifax building society, to say that the housing market may finally have bottomed out.

Coming after two years of deep gloom in the market, such a consistent downward trend is a nasty surprise for both mortgage lenders and home owners, many of whom had expected a recovery in the housing market to have got under way months ago.

The shock is particularly disagreeable if you are a would-be purchaser who has made an offer on a home after persuading the seller to cut his price substantially but still find that the value's price is below the

one you are offering. Estate agents report cases in which buyers, finding that they have to raise a few thousand pounds extra in cash because of a low valuation, are forced to withdraw an offer.

"A first time buyer looks for a very high percentage mortgage loan and has got little cash to put in and many want a 56 per cent mortgage. So if the house is valued down, it is a lot of money to them," says Mr Derek Taylor, general manager of Halifax's estate chain.

Several reasons are commonly given for the collapse in prices.

- First time buyers are still reluctant to enter the market;
- People who bought at the top of the housing boom around 1989 and who expected to become second or third time buyers in the early 1990s instead find themselves grounded. The equity in their homes has been wiped out by house price falls so they cannot trade up in the market.
- Above all a flood of repossessed homes, 74,500 in 1991 and expected to be at least as much again this year, is blamed for depressing any reviving demand.

A further factor is often mentioned among builders, some estate agents, and housing market analysts. They believe

valuers and surveyors are talking the market down with over pessimistic house price estimates.

Mr Frank Harris, a London estate agent, gives one example: "We were horrified at a drop of 15 per cent by one valuer when we could show from our records that the market in the city had dropped by only two or three per cent."

But few lenders and only a minority of estate agents can be found who are willing to criticise valuers in public.

A typical view is that it is difficult to value a property in a falling market and the general public should realise that the days of inflated house price expectations are over.

"We have been struggling for the past two years to get people to be realistic about what their homes are now worth. It is a very fine line between getting the valuation level that potential vendors are prepared to accept and what a building society is prepared to lend on," according to a spokesman at Royal Life Estates, now the largest UK chain with 584 offices.

Some analysts of the housing and finance industry are certain that lower-than-necessary valuations are a serious problem in the market.

"Many valuers are being ultra-cautious because they are

scared of possible legal actions and this is killing some transactions and stopping the market reviving," says John Wigglesworth, a housing finance specialist at UBS Phillips & Drew, the City stockbrokers.

One estate agent who is prepared to agree with this in public is Mr Harry Hill joint general manager at Hambro Countrywide, another of the large estate agency chains.

"In my view the valuers are causing part of the fall in house prices," says Mr Hill. "We did a survey of our experience in 50 sales in two separate areas and found that in one area 27 out of 50 [properties] and in the other 23 out of 50 had been down-valued," says Mr Hill.

He says valuers sometimes cut a valuation by suspiciously small amounts. "Valuers are always working from an agreed purchase price arrived at after lengthy bargaining so to value the property differently by £150 is extremely pedantic."

Why should this be happening? One unprovable and hotly denied theory is that the lenders have issued secret instructions to valuers to cut prices back to the bone. On this view some valuations now reflect not the normal sale price of a house, but rather what it would fetch if it was placed on the market in a distressed sale

or after repossession by the lender.

Newly-built houses have been especially subject to this kind of downgrading. Last September the House Builders Federation voiced its members' suspicions at a meeting with several large lenders.

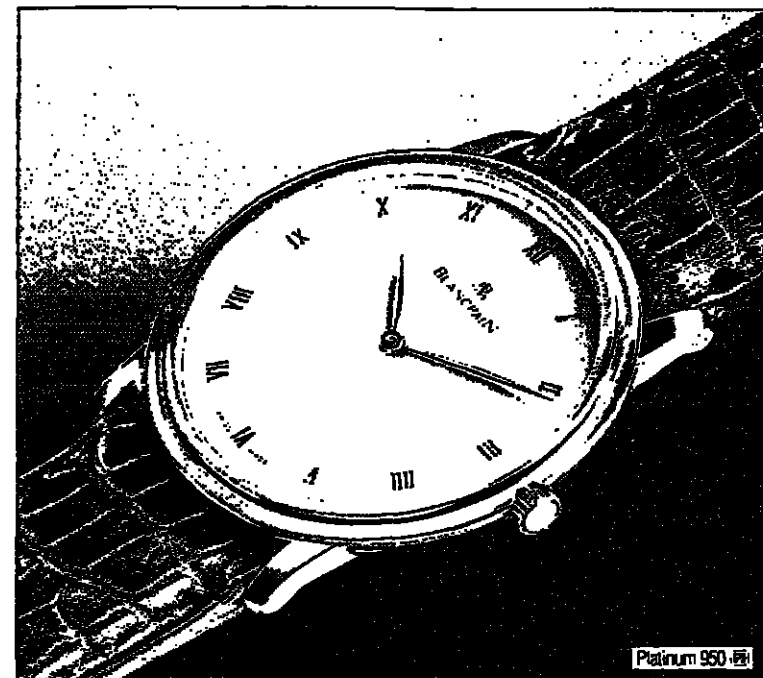
"It is not in the interests of lenders or valuers to ensure that a deal goes under by down-valuing deliberately," says Mr Paul Hale, managing director of Nationwide Building Society Surveyors.

A more plausible theory is that valuers have become ultra-cautious because they are worried about being sued for damages if their valuation is later proved wrong. Even when there is no litigation, querying of valuations has become more common.

The insurance arm of the Royal Institute of Chartered Surveyors says claims against the 4,000 firms which use its insurance scheme have soared since 1988. That year it had around 350 claims, costing around £2.5m. By 1990 there were over 700 claims and the cost had jumped to £18m.

"There may be some nervousness out there, it is always difficult to make a judgment when there are few buyers and fewer transactions around," says Mr David Gilchrist, general manager at Halifax Building Society.

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Christopher Lorenz

Friends, Romans businessmen



Few modern management concepts are as vague, yet promise as much, as the "network organisation". Among many other benefits, it claims to make companies much more cost effective, faster, more flexible and more open - what some business academics call "borderless". Yet evidence is mounting that, at least in one of its various forms, the concept can be dangerous.

To most people, the word "network" conjures up either the uninspiring image of a series of linked computers, or the much more powerful one of a set of close but informal relationships between individuals, whether within one company or across several.

But to other people, the concept of networks stands mainly for a set of links between companies: strategic alliances, joint ventures, co-operative development deals, licensing collaborations, and so forth.

Of this corporate fraternity, one of the most advanced practitioners is Olivetti, the Italian computer manufacturer. Its colourful chairman and chief executive, Carlo de Benedetti, tends to wax lyrical about his belief that the "network corporation" as he calls it, is "the reference model for the future".

Over the last decade, Olivetti has built up a network of alliances that, relative to its size, is quite large even for the electronics industry, which goes in for such arrangements more than most.

As Olivetti has been broadcasting to the world over the past fortnight, in a series of curious-looking full page advertisements in this newspaper and elsewhere, it has 229 alliances of various kinds at present. Their purpose, it says in the advert, is to "guarantee" a future not only of collaboration (obviously), but also of independence.

But will they actually

achieve this? One of the main purposes of the ad campaign is to calm customers worried by Olivetti's inability so far to strike a really significant deal with another computer company. It came close to doing so a couple of years ago with both Philips and ICL, but each of them found more powerful partnerships elsewhere.

Olivetti has been left trying to make a virtue of its myriad of smaller links, even though none of them assures it a future. Therein lies the rub. Unfortunately for Olivetti, its ad campaign coincides not only with the widespread scepticism of many outside observers, but also with the publication of an erudite book on alliances which warns against precisely the sort of strategy which the company appears to be following.

The only saving grace for the Italian company is that the book, by two Norwegian business academics, Peter Lorange and Johan Roos, does not actually criticise Olivetti by name. It is also written in a pretty impenetrable style. But its message is still powerful.

The issue revolves around the relationship between alliances and another powerful management concept, that of "core competences". This label refers to a company's unique skills which give it a competitive edge. It is pretty obvious that no company can survive for long without at least one core competence. Honda's engine technology, for example, or Tetra Pak's packaging skills.

Networks of strategic alliances can be used to reinforce a company's core competences, or to exploit them, for instance through distribution deals. But, as the Norwegians' book warns, woe betide the company which takes the co-operation

doctrine so far that it bases its core competences entirely on alliances.

Until a few years ago, Olivetti still had a very obvious internal core competence which gave it an edge against many of its rivals: its product and manufacturing know-how in personal computers. But PC technology and software are now virtual commodities.

Other Olivetti strengths lie in its undoubted edge in ergonomics and industrial design. Its brand and distribution channels are also worth a pretty penny. But none of these really ranks as a core competence on the level of Apple's skills in user interfaces.

So whether Olivetti? Or will Olivetti indeed wither, to little more than a brand and distribution channel for American and Japanese companies?

It is just possible that the company has discovered a managerial master-key which enables it to extract more value than its rivals from the process of forging alliances, exploiting and replacing them (most alliances are temporary).

Its executives sometimes claim as much. But such a competence is extremely intangible. It has not yet been expressed in a string of competitor-beating systems.

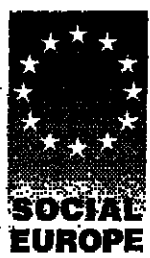
Beneath its corporate rhetoric about alliances, the odds must be that Olivetti would be just as relieved today as it almost was two years ago to find a properly marriageable partner.

The independence of equity ownership on which it now places so much emphasis is, after all, pretty irrelevant, given its dependence on the technology of its allies.

Carlo de Benedetti should swallow that truth, and curb his mistaken enthusiasm for the notion that co-operation is a viable strategy almost in itself. It is not.

Other companies take note: you cannot live by alliances alone.

*Strategic Alliances. Blackwell 1991.



Henke Lafebre is a partner in a Dutch firm of accountants who recently began working in its London office. Yet under new European Community rules intended to enhance his job opportunities in Europe, it will be at least six months before he can audit UK companies. He believes that far from creating a free market in labour, the new rules are a barrier. "It is much harder for me to qualify to work here than it would have been two years ago."

Lafebre's experience is shared by many EC citizens coming to work in Britain. That is because Britain has just swapped its traditionally liberal approach towards accepting the qualifications of other EC countries for new, harmonised, cross-border arrangements. It is thus easier for Britons to work in the community but more difficult for continental European migrants to work in the UK.

Freedom to work anywhere in the EC was one of the basic rights laid down in the Treaty of Rome which established the European Economic Community in 1957. It is estimated that about 3m EC nationals work in other EC countries, mainly in skilled manual, professional or managerial jobs.

The promotion of maximum mobility of workers has been a "minimal" goal of social Europe that even the non-interventionist UK Conservative government has supported. Indeed, if the Conservatives win next week's general election, initiatives to remove the remaining barriers to the free movement of people are expected to be a central part of the UK's presidency of the EC Council of Ministers later this year.

There are two main issues in EC labour mobility: the co-ordination of social security systems - which affects all workers - and mutual recognition of professional and craft qualifications.

There was some progress on the former, particularly on unemployment and state pensions, in the early 1970s. A British worker claiming unemployment benefit in France is entitled to the same treatment as a Frenchman. There are, however, a host of practical problems, with different states stipulating different periods before a person can claim entitlement to benefit, for example. The state pension rights of migrants are relatively straightforward. EC provisions say that an individual must be paid a proportionate amount of his or her state pension from the country of origin, plus a proportionate amount of that of the host country, depending on the length of residence. This creates winners and losers. In Italy where the state pension provision is generous, immigrants often do well and Italian emigrants do correspondingly badly when they go to countries with poorer state provision, like Britain.

The portability of occupational pen-

Innocents abroad

Lisa Wood and Catherine Milton find national borders being replaced with barriers for executives working in the EC



There are many pitfalls to working abroad, as the characters of Central TV's *Auf Wiedersehen Pet* found

sions is a bigger problem which affects many better-paid migrant workers who belong to such schemes. Efforts to harmonise such schemes were scuppered last year by the EC because pensions are linked to taxation and therefore affect the sovereignty of member states' taxation policies.

Migrants generally have to freeze occupational pensions in one country and start a new one in the state to which they move. Watsons Europe, the actuarial firm, estimates that around 150,000 managers are adversely affected by the lack of harmonisation in EC pensions. But, says Watsons, managers leaving one EC country to work in another can often negotiate compensation for loss of pension rights with their new employer.

Portability of professional qualifications was identified by the EC in the early 1970s as an area for action and initially, it was tackled by profession by profession. The approach was to compare the training required by each member state for a given profession and, as far as possible, harmonise it. This approach has proved slow and difficult and so far only covers jobs like doctors, dentists, nurses, midwives, vets, pharmacists and architects. The architects' directive took 17 years to agree.

In 1985 the Commission changed tack and introduced a directive laying down the principle of mutual recognition of

qualifications so that a professional from one member state could become a member of the equivalent profession in another without having to requalify. The directive is applicable to people with at least three years' university-level education, plus any appropriate job related training. It applies to most professions.

So far just three member states - Ireland, Britain and Denmark - have passed all the necessary national legislation to comply with the directive and the European Commission has started legal proceedings against five other members states for non-compliance.

It is too early to tell how efficiently the system will work. Some UK professional associations say they are having trouble getting information from their counterparts in the EC. They also say the tests in other states are much harder and seem designed to keep people out rather than ease them in. Several caveats in the directive give considerable power to the specified national bodies which will assess applicants for recognition within four months of receiving all the necessary papers.

Where there are significant differences in the training - as in accountancy - the host state can ask the incomer to sit a test or undergo an adaptation period. Host states may also ask for evidence of professional experi-

ence where education and training is a year short of the home member state. Both these measures can hold up the free flow of professionals.

The Institute of Chartered Accountants in the UK requires Lafebre, the Dutch accountant, to sit an exam in UK company and tax law to qualify as an auditor. He applied to the Institute of Chartered Accountants, one of six bodies competent to confer accreditation, last month. It will be at least six months before he can qualify.

The Department of Trade and Industry argues that until now, although EC nationals have been free to work in any community country, member states were not obliged to recognise professional qualifications and many did not. An accountant, it claims, would have needed 50 years to qualify to audit throughout the community.

Britain has been a special case, adopting a more liberal approach to recognising qualifications than other EC states. Although people like Lafebre lose out, the new system is good for UK citizens who want to work in the EC.

Finally, for skilled manual workers, a radical fillip to mobility will be provided if a second general directive is ratified by the EC Council of Ministers. This would give mutual recognition to qualifications of skilled workers including the UK National Vocational Qualifications. Unlike most in Europe, these are competence and not time-based.

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For further information and sales particulars, contact Jonathan Sisson and Robin Addy, The Joint Administrative Receivers, Cork Gully, The Arkum, St Georges Street, Norwich NR3 1AG. (Ref: AGP/52/244). Telephone: (0603) 619425. Fax: (0603) 631080.

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The Joint Administrative Receivers offer for sale the business and assets of this ladies' and children's leisurewear retailer.

Principal features of the business include:

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- long leasehold warehouse and office premises
- approximately £330k of stock at retail values

For further information and sales particulars contact Jonathan Sisson, Joint Administrative Receiver, Cork Gully, The Arkum, St Georges Street, Norwich NR3 1AG. (Ref: EMB/52/214). Telephone: 0603 619425. Fax: 0603 631080.

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For further information contact the Joint Administrative Receivers, Philip Ramsbottom or Mike Seery, KPMG Peat Marwick, 7 Tib Lane, Manchester M2 6DS. Tel: 061 832 4221. Fax: 061 832 7265.

KPMG Corporate Recovery

TECHNOLOGY

Ian Holdsworth explains how IT is helping to improve the parties' chances of victory at next week's UK election

Computers left, right and centre

FIVE YEARS is a long time in technology. The performance of personal computers doubles every 12-18 months, which means that the hardware available to today's political campaigners is between 10 and 30 times more powerful than what was on offer at the last UK general election in 1987.

Computers have also grown in numbers. This election has seen left, right and centre, as one hardware supplier gleefully notes.

At Neil Kinnock's Walworth Road headquarters in London, a McDonnell Douglas minicomputer tracks and co-ordinates the movements of the Labour party's main campaigners: on John Major's election coach, a clutch of sophisticated PCs and communications equipment provides the prime minister with instant information wherever he is in the country; and in Paddy Ashdown's pocket, a tiny PC, no bigger than a videocassette, stores speeches transmitted from his office at the House of Commons.

At the constituency level, technology is far more widespread than in 1987. PCs and laser printers produce personalised letters, target different sections of the community, and on polling day, draw up lists of supporters who have yet to vote. These systems are an indispensable canvassing tool in a marginal seat.

John Major's coach is equipped with the latest hardware from Apricot, the once British computer company now owned by Mitsubishi of Japan. Three desktop computers based on Intel's superfast 486 chip churn out reports, press releases and speeches. In an impressive dem-

'Canvassing can be more creative and useful. The traditional way is to go out in cars and chase supporters. This time it's more personal'

onstration of 1990s' technology, they hook up to a device which scans incoming faxes and converts them into files for word processing.

The system ships documents around the country, through BT's Cellnet, to the computers, printers or autocue systems where they are needed. The PCs are highly secure with infra-red cards to prevent unauthorised access.

At the Liberal Democrats' central office at Cowley Street, London, a new computer system came on line earlier this month to help raise

funds for the election campaign. It's only a PC - but a very powerful one, again based on the 486 chip. Although it takes up a fraction of the space of the party's old UCL minicomputer, the new "Pick" system represents a four-fold increase in processing power. "Given the power of PCs as compared with five years ago, we've been able to upgrade by downgrading," says Keith House, computer director.

Labour, meanwhile, is several years into a computer revolution which mirrors the overall modernisation of the party's image during the 1980s. The party has been using IT in anger only since 1987 says Roger Hough, Labour's information systems manager. Since then it has installed a new minicomputer, arranged a bulk purchasing deal for constituency PCs with Opus, a maker of IBM-compatible machines, and developed its nationwide interest group, Computing for Labour, into a thriving organisation with 1,200 members.

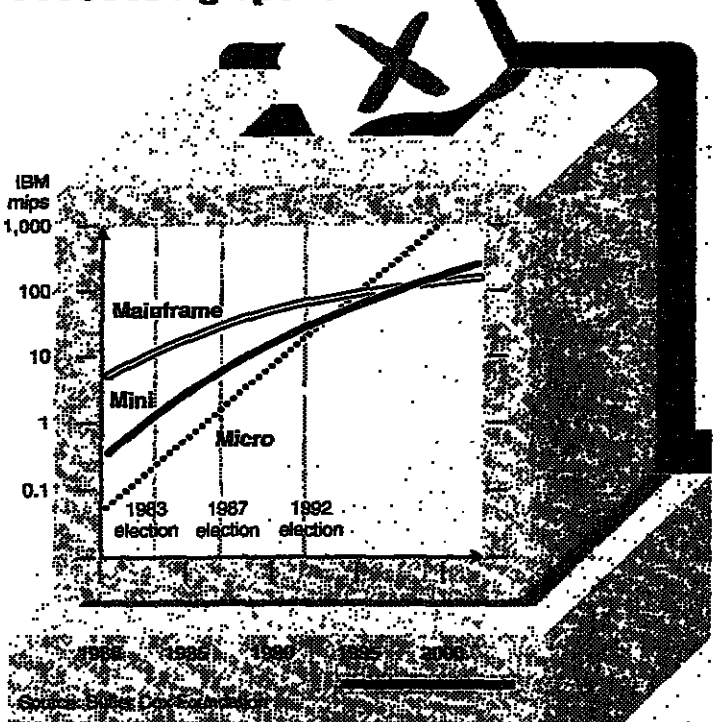
Hough's department sends out a daily election bulletin to constituencies using BT's Telecom Gold service. The bulletin sets the agenda for the day, briefing local canvassers on the progress of the national campaign, distributing press releases and suggesting answers to questions that are likely to come up on the doorstep.

"In 1987 we had about 30 constituencies using computers," says Hough. "Now it's more than 300. It's natural for people to use PCs - many already do so at work."

Computing for Labour (CFL) is a forum for party members who want to make their computer skills available to the cause. Its main achievement is a database called Elpack which allows a local party to store information on every voter, names and addresses from the electoral roll, available from local authorities for a small fee per 1,000 names, are fed into the system and classified through a mixture of intuition and footwork. CFL supplies constituencies with discs containing names that suggest a particular sex, age range or ethnic group.

The system scans the database and marks people down, for exam-

Processing speed



ple, as male, female, Asian, Greek, retired, or a first-time voter. "Anyone with an eye for these things can identify pensioners from their forenames," says David Wilkinson, a Labour party organiser in London. "The system can also work out how many people live in a house - and whether they're a family or a bunch of individuals sharing."

Facts about each ward are entered such as locations of council houses and whether or not the occupants have exercised their right to buy. "Previously we might have gone round a council estate giving out leaflets on council rents when 30 per cent of the people there had bought their homes and would have been more interested in a leaflet about mortgages," says Wilkinson.

When canvassers go on their rounds they carry canvass cards, produced by Elpack, which list all the voters in a district. Canvassers

write information on the cards and enter it into Elpack when they return to base.

The Liberal Democrats use software very similar to Elpack. It's called Polly and comes from a company called Democrats Election Computer System (Decs). "Paddy Ashdown was one of the original architects," says Polly's author, Gillian Gunner. "He calls himself the architect," she adds, "but I call him the first major guinea pig."

As a priority Polly has been installed in marginal seats such as Richmond and Barnes, and Twickenham in London.

Vincent Cable, the Liberal Democrat Candidate for Twickenham, finds the system invaluable. "Your canvassing can be much more creative and useful. The traditional way is to go out in cars and chase your supporters. This time it's much more personal."

Locally, the Liberal Democrats appear to beg, steal and borrow their hardware. Unlike Labour and the Conservatives very few constituencies own a PC. They depend instead on local members bringing them in from their home or work.

"At the time we could not have managed without business people being involved," says Peter Beadon, a Twickenham campaigner. "Now there are more people who have computers we can borrow."

Twickenham has tested its two printers almost to destruction by producing 45,000 mailshot labels over eight hours and 2,500 canvass cards over three days. "We're doing things you wouldn't do in a commercial environment," says Beadon. "The printer makers should be very proud of their products."

The Conservatives also have a constituency computer system similar to Elpack and Polly. It's called Fileplan and is supplied to local parties by Resource Management, a company based in Bath.

Local Conservative parties are autonomous and can choose whatever software they like stresses Nigel Hawkes, the Tories' constituency computer adviser. However, he recommends Fileplan and Apricot.

The Conservatives and Liberal Democrats are also using a system called Discfax for sending the contents of a floppy disc through the telephone network to a second disc at the end of the line. The Conservatives have installed Discfax on John Major's coach and at various locations around the country. The Liberal Democrats use it to send faulty software back to Decs for repair.

On polling day, PCs will have another role to play. Systems such as Polly, Elpack and Fileplan will keep track of who has voted throughout the day so that forgetful supporters can be rounded up.

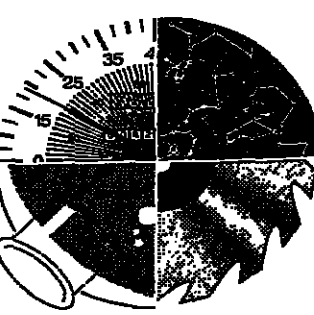
Traditionally, the job is done with "Reading" pads - ingenious layered lists of voters with a different colour on each layer to show how many times a particular district has been visited.

Reading pads have a devoted following. They're better than programs, says Alan Barnard, Labour agent for Islington South and Finsbury. "With coloured paper laid out on a table, you can tell at a glance which areas to send people to."

Barnard commands a room full of computers and printers but does not use Elpack. Instead he has an equally powerful database borrowed from a colleague's employer.

"Last time we were using typewriters with carbon paper. People who were working here then have come in and been amazed at what we are doing now. In 1987 we won the seat by 2 per cent and that 2 per cent was totally due to our organisation. This time our organisation is improved through computers."

Worth Watching - Paul Taylor



Age crisis for compact discs

Nothing lasts forever, and videocassettes and compact discs are no exception. Researchers at The Netherlands Organisation for Applied Scientific Research (TNO) believe that CDs may stop producing sound after about 30 years because the pits in the metal surface will have oxidised.

Video recordings are at risk because they are gradually deleted as the tape is demagnetised. Random checks from Dutch video archives showed blue-tinted and striped images often after three years.

It seems that even CD-Rom, the latest electronic storage medium, has only a limited lifespan. TNO plans further experiments to find out just how durable contemporary sound and image storage media are. TNO: Netherlands, 3115 694975.

Putting chips in the picture

A camera on a chip could make life a lot tougher for criminals and reduce the number of false alarms. Automated Security Holdings (Ash) has developed a miniature video camera which, when triggered by a movement sensor, captures four video images at one-second intervals. These can then be transmitted to a police station or a communications centre for analysis. The system, called TVX, is based upon an Edinburgh University invention and uses a specially designed lens bonded directly on to the chip. Ash: UK, 071 435 7161.

Have printer, will travel

The archetypal travelling salesman on the road with a

portable computer often requires printing facilities, but all too often portability results in lower quality and reduced convenience.

Now Kodak has launched the Diacolor 701, a lightweight ink-jet printer which it claims offers high flexibility for anyone needing a printer on the run. The 701 weighs less than 5lbs, operates from battery or mains and is priced at £429 plus VAT. Kodak: UK, 0442 61122.

Batteries stay the distance

Rechargeable batteries provide power for almost every portable gadget from mobile telephones to notebook computers. But one drawback of nickel-cadmium batteries is that unless they are fully discharged before recharging, they will no longer accept a full charge.

However, Discovery Distributing, based in Canada, claims to have developed a solution. Its Power System recharger discharges and conditions Ni-Cad batteries before recharging them. As a result, Discovery says the batteries last longer and can be fully charged every time. The base recharging unit comes with interchangeable tips to accommodate various Ni-Cad battery designs. Discovery Distribution: Canada, 604 576 6710.

New game of horseshoes

Lotus Engineering, the automotive consultancy division of Norfolk sports car maker Group Lotus, has been asked to apply its expertise in suspension development in a new field.

Lotus engineers have been working with experts from the Animal Health Trust in Newmarket for the past two years to develop a new horseshoe to give racehorses a softer ride on firm ground.

"The older runners and resulting harder racetrack surfaces are giving racehorses sore hooves, and trainers are unwilling to risk damaging their charges," said Ken Sears, general manager of Research at Lotus Engineering. "We've been asked to evaluate what can be done to put the spring back in their step by putting some controlled 'give' into racing shoes," he says. Lotus: UK, 0953 608000.

FT LAW REPORTS

No costs remission to arbitrators

PRESIDENT OF INDIA
v JADRANSKA SLOBODNA
PLOVIDBA
Queen's Bench Division:
Mr Justice Hobhouse:
March 26 1992

A PARTY to arbitration who seeks to challenge a costs award on the ground of error of law must do so by way of appeal and not by application for remission to the arbitrator, irrespective of whether the award was reasoned or unreasoned, and whether or not it was included in the substantive award. And as it would be almost impossible for an appeal from an unreasoned award to succeed in that any appeal must be made out on the reasons, parties should consider at the time of the hearing whether to ask for a reasoned award.

Mr Justice Hobhouse so held when refusing an application by the charterer, the president of India, against shipowners, Jadranska Slobodna Plovidba, for an order to remit a costs award to the arbitrators on the ground of misconduct.

Section 1 of the Arbitration Act 1979 provides: "(1) ... without prejudice to the right of appeal conferred by subsection (2) below, the High Court shall not have jurisdiction to set aside or remit an award on an arbitration agreement on the ground of errors of fact or law on the face of the award. (2) ... an appeal shall lie to the High Court on any question of law arising out of an award ..."

HIS LORDSHIP said that disputes arising between charterers and shipowners, under a charterparty dated August 25 1986, were referred to arbitration in London.

By an interim award dated January 28 1991 the arbitrators awarded that charterers should pay owners \$3,142.

On April 24 the arbitrators made a "final award as to costs".

That award was substantially adverse to the charterers. They issued a notice of motion for an order that it be remitted to the arbitrators on the ground of misconduct.

The application was made under section 22 of the Arbitration Act 1950 ("In all cases of reference to arbitration the

High Court ... may remit ... to ... the arbitrator"), in conjunction with section 18 ("Costs ... shall be in the discretion of the arbitrator").

The allegation was that the arbitrators had failed to exercise the judicial discretion required by section 18.

The award was not a reasoned award, but the arbitrators separately furnished the parties with "confidential" reasons explaining how they had arrived at their decision.

In *Bleizen v G Percy Trentham* (1990) 42 EG 1331 the Court of Appeal considered the procedure to be adopted by a party aggrieved by an arbitrator's award on costs.

It held that the governing statutory provision for the purposes of the application with which it was concerned was not section 22 of the 1950 Act, but section 1 of the Arbitration Act 1979.

Section 1 provided that, subject to the right of appeal, the court had no jurisdiction to remit an award "on the ground of errors of fact or law on the face of the award".

The Court of Appeal in *Bleizen* held that in the case before it the court no longer had power to remit under section 22 of the 1950 Act, and that the application must fail because it was not brought under section 1 of the 1979 Act.

That decision was binding on the present court. In the leading judgment, Lord Justice Lloyd said power to set aside or remit for misconduct survived, but not when the only misconduct alleged was an error of fact or law in a reasoned award.

Bleizen was similar to the present case in that the parties had requested the arbitrator to hold a separate hearing and publish a separate costs award. But it was different in that they had apparently asked that it should be a reasoned award. That was the express basis of the Court of Appeal decision.

In *King v Thomas McKenna* (1991) 2 WLR 1234, 1246 Lord Donaldson MR said *obiter* that appeal would also be the only means of appeal in a case in which no reasons had been given.

Where the costs award was a separate award, following *Bleizen*, it was clear that the matter must be governed by the 1979 Act.

If the award was reasoned the procedure to be followed must be that laid down in section 1.

Notice of motion must be issued in time and leave to appeal asked for. The appeal must be made good on the reasons.

The applicant would have to satisfy the court, on the reasons, that the arbitrator misdirected himself on what was involved in the judicial exercise of his discretion or that, though there was no express misdirection, it must be inferred because that was the only explanation of his award.

Under section 1, the applicant must satisfy the stringent criteria for grant of leave to appeal laid down in *The Nema* (1982) AC 724. He would find that difficult to do except in the most obvious case of a failure to exercise a judicial discretion.

If the parties had not asked for a reasoned award they would almost certainly be unable to appeal because they would not be able to satisfy the criteria in section 1(6) for an order requiring the arbitrator to provide reasons. They had each had an opportunity to ask for a reasoned award and it was exceedingly unlikely in those circumstances that there would be any "special reason" for not having made a request.

As pointed out by Lord Donaldson, the implication of *The Nema* was that the same principles must be followed whether or not the arbitrators had given reasons.

Where, as here, there had been a separate award on costs, the parties must follow the procedures and requirements of section 1.

The procedure and remedy under section 22 might only be invoked where there had been some excess of jurisdiction, some distinct element of misconduct or procedural mishap, not simply some alleged judicial exercise of the discretion.

Examples of such distinct misconduct could be making an award which went outside the rival contentions of the parties, or making an award without giving both parties an opportunity to be heard.

Where the costs award was included in a substantive award, if the award was reasoned, *Bleizen* must apply. If it was not reasoned continued

use of the different regime under section 22 would produce an unacceptable anomaly.

Therefore again the opinion of Lord Donaldson must be followed, and section 1 applied.

Where the complaint was some actual misconduct, such as breach of natural justice, procedural mishap, excess of jurisdiction or failure to complete the reference, for example by failing to deal with costs at all, a motion under section 22 and/or 23 would still be appropriate.

Mr Simon for the charterers applied for leave to amend his proceedings to include the appropriate application under section 1.

To avoid any question of whether the award was reasoned and whether the court could look at the confidential reasons, the parties agreed that the confidential reasons could be treated as the reasons in the final award. It was therefore equivalent to a reasoned award.

The reasons disclosed no error of law.

It followed that the charterers' application to leave to amend his proceedings to include the appropriate application under section 22 have succeeded.

To succeed on an application for leave to appeal from a costs award a party would normally have to be prepared to satisfy the highest category of test in *The Nema*, which was almost tantamount to persuading the court that the appeal would almost certainly be successful.

Practitioners needed to take into account that the result of *Bleizen* was not only that a new procedure was to be followed in challenging a costs award, but also that at the time of the arbitration hearing they would have to consider whether they might apply to the court to interfere with a costs decision under section 1 than it was formerly under section 22.

For the charterers: Peregrine Simon (Gegart Gardi & Co.).

For the shipowners: Dominic Kendrick (More Fisher Brown).

Rachel Davies
Barrister

PEOPLE

Trimming the shortlist at BAT

Martin Broughton, currently BAT Industries senior finance director, is to take over responsibility for BAT's large financial services operation from Brian Garraway who will be retiring later this year.

The promotion of Broughton (near right), 44, is part of a streamlining of BAT's top management structure as the older executives led by chairman Sir Patrick Sheehy, and deputy chairman Garraway, prepare to hand over to the next generation. Brian Garraway will retire in October and Sir Patrick, who has been chairman since 1982, is expected to step down sometime next year.

Although BAT has yet to name Sheehy's successor, the



latest changes have trimmed the shortlist. Broughton, who becomes managing director financial services from July 1, is an obvious contender, as is Ulrich Herter (above right), chairman of BAT Cigarettes, who becomes managing director, tobacco. Herter, 30, joins the chairman's policy committee. BAT's key executive body, as does David Alvey, 47, BAT's finance director. Unlike Broughton, who

joined British-American Tobacco as a travelling auditor in 1971, Herter, a German marketing man, is a relatively recent arrival only joining BAT's German subsidiary in 1984. Having studied economics at Kiel University, he spent his early career with Martin Brinkmann, Bernd Schweitzer, Herter's marketing director, will take over the chairmanship of the German operation.

Broughton will succeed Garraway as chairman of Eagle Star and George Greener, the Mars man who was hired as chief executive of Allied Dunbar last September, will take over from Garraway as chairman of Allied Dunbar. Greener also joins the BAT board.

Against that background, the emergence of Nicholas Verey - a 49-year-old who joined Rowe & Pitman at the age of 18 - as a managing director of investment banking at Warburg almost looks like the appointment of an old-style senior partner in the stock-broking world. He will be deputy chairman of SG Warburg Securities.

Verey, who has been chairman of Warburg in the US only since June 1990, will return in the autumn to take over from Peter Hardy, another Rowe & Pitman man.

Hardy has managed 38 years with the firm, though he has still not reached his 54th birthday. Warburg said that he had always intended to retire in his mid-50s, playing down any suggestion of internal dissension.

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Moves at Volvo in UK



The new head of Volvo's import concession in the UK is Charles Hunter-Peace, currently deputy chief executive of Volvo Concessionaires, part of motor distributor Lex Service. Lex heard last month that Volvo Car Corporation was terminating its contract to distribute cars in the UK, the Swedes' largest market after the home base, four years early to set up its own distribution operation.

Hunter-Peace, who is 45 and has been at the company for more than 15 years, takes himself and the 400 staff of Volvo Concessionaires to Volvo. The Swedish head office has yet to disclose what the new UK entity will be called as the current transfer of the business is not yet completed.

Stephen Dixon, chief executive of the concession enterprise for the past two years and a Lex employee since 1972, will retire early at the beginning of next year at the age of 54. After helping to effect the transfer of the business to Volvo, he will serve out the rest of his time in a position, yet to be announced, at Lex.

Robert Lawson is appointed group chief executive of ELECTROCOMPONENTS following the transfer to him of executive responsibility which allows the chairman, Sir Keith Bright, to become part-time.

BICC Cables has appointed Enrico Battagna, md of Cast Cavi Industrie, and Angel Rodriguez Garcia, president of Grupo Espanol General Cable, as directors.

Graham Anderson, previously group finance director of International Colour Management, is appointed group finance director of BLUEBIRD TOYS. James Trumper is resigning as a director.

Ian Donald, a past deputy chairman of GKN, is to retire from UES HOLDINGS, the joint venture between British Steel and GKN. In July, he is to be succeeded as chairman by Don Ford, chairman of

TWIL. Gordon Sambrook, a past director of British Steel, has retired from UES, and is succeeded by Philip Hampton, md finance of British Steel.

Daniel Reilly is appointed finance director and company secretary of CAMDEN MOTORS, a Barclays Bank subsidiary. Having spent nearly 12 years with Vauxhall, Reilly is returning to the motor industry from being finance director of Alexon and Eastex brands.

Norman Becker is promoted to divisional director of HITACHI domestic appliances on the resignation of Ian Radley.

Edile Cran is promoted to chief executive of CATTLE'S HOLDINGS; Roy Waudby relinquishes that role but remains chairman.

Richard Baker is appointed company secretary of REED INTERNATIONAL on the resignation of Michael Bridge.

Alan Wheatley, the senior London partner of accountancy firm Price Waterhouse, is taking over as chairman of 3i, the UK's biggest provider of long-term capital to small and medium sized businesses.

3i has been looking for a chairman since the beginning of February, when Sir John Cockney said he would be stepping down at the end of July.

The other leading candidate for the chairman's post was Sir David Walker, the chairman of the Securities and Investments Board, but he withdrew from the race last month when he was appointed a deputy chairman of Lloyds Bank.

3i's chairman is chosen by its board and its leading shareholders, which are the Bank of England and the UK clearing banks. Wheatley was Sir John's preferred candidate who got him well in the mid-1980s when Wheatley drafted a business strategy for Westland, the helicopter manufacturer then chaired by Sir John.

Wheatley is a non-executive director of British Steel and was a deputy chairman of Cable & Wireless, the telecommunications group, until 1985. He was appointed to the board of 3i last July.

Janet Cran is appointed 3i's human resources director; she moves from SD Scam.

ARTS

Daylight allowed in on magic

Sovereign, the unprecedented exhibition about Queen Elizabeth II that opens at the Victoria & Albert Museum today, will be enjoyed by visitors in different ways. For me, one of the most eloquent images is a rather mundane photograph of the Queen in a dark coat, standing next to the Queen, looking his imperial best and about seven feet tall. Chancellor Schmidt is almost concealed between some half-forgotten politicians. Giulio Andreotti, then as so often prime minister of Italy, has placed himself well. James Callaghan, the British prime minister, smiles on benignly from the side.

Where is Giscard now? The image could be repeated time and again, for the Queen has survived so many comings and goings. She must have known more Commonwealth leaders than anyone else in the world. At home she has watched the departure of eight prime ministers - possibly nine by next week. Her private diaries would be as priceless as some of her jewels.

It is the mixture of continuity and change that astounds. The Queen never ceases to adapt. Bagshot wrote of the monarchy in a well-known line: "We must not let daylight in on magic." But, in a con-

trolled way, the Queen has been letting in daylight all the time. The Palace may complain that the Royal Family is sometimes misreported and misrepresented by the press, but the interesting question about the monarchy and the media is who uses whom.

You will not find the complete answer in *Sovereign*, but there is some fascinating evidence. The Queen and British television came of age

times even Jonathan, as Richard. Even the cameraman at the at the Abbey wore morning dress.

The rest of the media were friendly to the point of reverence. When the BBC Home Service carried a bulletin from the Palace, it was spoken in tones that suggested the whole nation must listen, and perhaps it did.

Pathe news in the cinema did it with more dash, but with

The *Sketch* has long since disappeared and is remembered, if at all, as the definition of a really frivolous newspaper - even more so than the tabloids that have survived. The Queen preferred broadcasting and continues to do so, possibly because it is so much easier to control, and the press can turn fickle.

Sovereign contains lots of old film. It is remarkable to watch how many firsts she has

states, I think, her contribution to the Commonwealth and the concern of some other members of the Royal Family about poverty in the third world and dereliction in the inner cities.

Of course, there is much more besides, like the display of the Queen's wardrobe over the years, brilliantly treading the narrow line between dullness and ostentation. There are also some of the Queen's paintings, the replica of a state dinner with its gold service, the original Magna Carta, pictures of horses and dogs, the regal along with the homely.

See it for what you will. There is nothing about the excesses of the young royals or of the media baying for scandal, which are among the problems of the modern monarchy. *Sovereign* comes over as a portrait of a responsible woman determined to carry on with her duties.

The exhibition is sponsored by BBC, International, the *Daily Telegraph* and Pearson, which owns the *Financial Times*. Not even the organisers are sure how far it will draw the crowds.

Malcolm Rutherford

Sovereign runs at the V&A until September 13
Hours: 10.00 to 17.30 Mon-Sat
12.00-17.00 Sundays
Normal admission £6. Student, OAP and family concessions.

When the BBC Home Service carried a bulletin from the Palace, it was spoken in tones that suggested the whole nation must listen, and perhaps it did

together. It was Queen who insisted that her coronation in 1953 should be shown live on the small screen. Sir Norman Brook, the cabinet secretary, wrote a minute saying that this would open the door to the unthinkable: for example, the televising of the House of Commons. Churchill let the Queen have her way, and television took off.

So did other families. Listen to the broadcast of the coronation today, as you can in *Sovereign*, and the voice is unmistakably Dimbleby: it could just as well be David, at

the same belief that everything British must be good, especially when blessed by the Queen.

When it showed Her Majesty opening the country's first atomic power station at Calder Hall, the next line was about how the 180 families were to live there. When the Queen went to Germany in 1965, the banner headline in the *Daily Sketch* was KAMERADSCHAFT, under the strap "The Queen appeals to West Germany: let's be partners in Europe".

How times have changed. witnessed and sometimes initiated. She saw in not only atomic power, but also Concord, the devaluation of the currency, North Sea oil and - the election of the first black woman MP to Westminster. She was the first monarch to visit the prime minister's country residence at Chequers.

The guide to *Sovereign* suggests that the Queen has the best-known face in the world today. With the stamps, the coins and the banknotes, that may be true. Yet the exhibition under-

As for the wretched Phaoon, with whom the weak and vacillating composer surely - if perhaps unconsciously - identified, the only thing a tenor can do is to sing the music (better than the character deserves) as melliflously as possible. Christian Pappas, as the viper Glycera, the Canadian soprano Sharon Coste showed a vibrant voice of great promise. But since she swallowed most of her words, the result was inconclusive.

The "Nouvel Orchestre" of Saint-Etienne has been thoroughly trained in a short time by Patrick Fournillier, the moving spirit in these revivals. On the first night this able conductor was showing a degree of consideration for the singers which Gounod's transparent scoring hardly calls for. There is grandeur as well as clarity in this score. In future performances Fournillier could afford to give the orchestra more headway. That will only be possible if this staging, as it deserves, can be shown in other theatres. A live recording is promised. Meanwhile the excellent Cambréling version with Katherine Ciesinski and Alain Vanzo has been transferred to CD (Rodelphs RVP 32653.64).

Ronald Crichton

Gounod's Sapho

reception. Viardot in the title-role was admired; Berlioz found much to praise in the score, but neither then nor in subsequent revisions (reduced to two acts, then pulled up into four) was the public won over. The fault surely lay less in the music, much of which is in Gounod's most personal lyrical vein, than in the book - a loopy, uneasy mixture of public ceremonial, private intrigue and political conspiracy.

We meet the poetess Sapho at the Games at Olympia, where she wins a contest with an ode about Hero and Leander. Sapho loves and is loved by Phaoon, a flawed hero-figure, also loving and loved by a viperish stop-at-nothing courtesan, Glycera. Phaoon is involved in a conspiracy against the (unseen) tyrant Pittacus. By threatening to expose him, Glycera blackmails Sapho into rejecting Phaoon and forces Phaoon to take her with him into exile. The miserable Sapho throws herself into the sea, not (as in some versions of the legend) from a rock in Leucas, but in her native Lesbos.

For only two performances, Saint-

Etienne honoured Gounod with a must-attend and visually rewarding production. The producer Denis Krief successfully combined dance-mime (the athletes' scenes, frieze-like tableaux vivants perceived through gauze, were ravishing) and chorus movement. Krief was also responsible for the sets and the soft, romantic lighting. Sapho did not leap visibly into the sea but was gradually obscured by Turner-esque clouds. The style was Greek-classical seen through 19th century French painters' eyes. Gérard Audier designed the costumes.

The only number in the opera familiar today is Sapho's valedictory "O ma lyre immortelle" (recorded by Cresspin among others), a piece of long limbed, grave lyricism. That it is so satisfying as a finale is the more curious because it is really a strophic song with two verses and a short coda. Michèle Command, who had sung the earlier scenes with charm, dignity and sensitive phrasing, rose to the occasion.

Saint-Etienne, an industrial town in hilly country south-west of Lyon, was graced during the Malraux era with a large cultural centre with among other things three theatres: large, small and experimental. The place hums with activity. On the musical side, Saint-Etienne has been conspicuous for Massenet revivals - he was a local boy. There will be a festival and symposium later this year. Meanwhile Saint-Etienne has scored a hit with Gounod's *Sapho* - not to be confused with Massenet's opera of the same name on a contemporary subject. *Sapho*, Gounod's first work for the theatre, was commissioned by the Paris Opéra at the instigation of the mezzo-soprano Pauline Viardot, already famous and influential after her success in Meyerbeer's *Le Prophète*. Apart from some church music, Gounod was an unknown quantity. The Opéra, unwilling to risk the expense of a five-act blockbuster, presently asked for a shorter work which would allow room for a ballet in the same programme. The chosen librettist was Emile Augier, a successful author whose plays were domestic dramas in full reaction against Romantic excess.

The premiere in 1851 had a mixed

Canaletto campaign

The National Gallery's successful campaign to acquire Holbein's "Portrait of a lady with a pet squirrel" has diverted attention from the Tate Gallery's attempt to retain Canaletto's "The Old Horse Guards, London" from possible export, writes Antony Thorncroft.

The Harris Estate had put the painting for sale at Christie's on April 15. The Tate is keen to acquire this important work, painted in 1749, a year before the Old Horse Guards was demolished.

Unfortunately, the National Heritage Fund stumbled up £3.5m for the Holbein and can credibly plead poverty. The Canaletto would cost at least £3m, but negotiations continue and could still end in success.

Towards the Millennium, the concert series devised for the City of Birmingham Symphony Orchestra by Simon Rattle and the late Michael Vyner, continues on its richly rewarding way in Birmingham, Cardiff and London. The latest instalment in this vast progression through the 20th century was devoted to the year 1912: a convenient peg - since closer links between the works could hardly be traced - on which to hang a superb programme of Schoenberg, Prokofiev and Debussy.

Inevitably, the London visitor to Symphony Hall (where on Wednesday I caught the concert) spends much of his listening time revelling in its acoustics, and in the freedom they allow the CSO to make real music. Already, after nearly a year's residence here, the gain in the players' responsiveness and spontaneity of

detail is a cause for simple amazement. The closing performance of Debussy's three *Images* was a glistering tissue of feather-brushed sounds, of single lines lightly poised, of timbral combinations suspended in air.

Rattle has always had a native feeling for Debussy's orchestral ethos, for its precise yet elusive flow of colours and ideas. In their home hall, he and his orchestra have been able to develop this gift steadily; the corporate achievement of these Birmingham Debussys is now marvellous to behold. There was far less need for orchestral subtlety in the Prokofiev First Piano Concerto, earlier on; yet the

accompaniment had a boldness and vitality of colour very seldom equalled. Emanuel Ax was a magisterial soloist, missing only the last degree of wit and wizardry.

The first part of the concert was devoted entirely to Schoenberg's *Pierrot lunaire* - the seminal, mould-breaking 1912 masterpiece. Giving it here, with lights down and in semi-staged form, was a brave experiment that failed to come off. The five players from the Birmingham Contemporary Music Group plus Ax as excellently stylish and communicative stylist offered a magically free and fluent account of the score under Rattle's direction: the sound-world, full of wild

disturbance yet dryly detached, was perfectly evoked.

Yet the sheer physical space placed between many of us and the reciter, Elise Ross, robbed the experience of intimacy. The decision to speak the poems in German rather than (as Schoenberg preferred) in the language of the audience is further compromised when the printed words are rendered invisible during performance. *Pierrot lunaire* should transport its audience through night-worlds of fantasy. This time, in spite of innumerable delicacies and graces in Miss Ross's delivery, the journey never really began.

Max Loppert

City of Birmingham Symphony Orchestra



Amanda Harris as the Shrew

Royal Shakespeare Company, Stratford

The Taming of the Shrew

Montaigne knew that good marriages abjure the company and endeavour to present those of amity: "It is a sweet society of life, full of consistency, of trust and an infinite number of profitable and solid offices, and mutual obligations." But the connubial coup in Bill Alexander's exciting *Taming of the Shrew* (Royal Shakespeare Company) has nothing to do with Kate and Petruchio; it has to do with the plot.

At last a director has succeeded in marrying the shabby Christopher Sly scenes to the lustrous central action of the *Shrew*. This is as Shakespeare nearly said, a true marriage of impediments which nobody minds. As a piece of theatre, it is intelligent, magical, and wholly absorbing.

Christopher Sly has always troubled directors. Jonathan Miller (RSC 1987) excised him, but here, Alexander has rewritten his scenes and made them germane to the action. A group of *jeunesse dorée* (1992 vintage) comes across the drunken Sly and decides to take him home to an Elizabethan dress performance of the *Shrew*.

The exterior scaffolding set gives way to a candlelit wood-paneled interior, sofas and sweetmeats on a dais. Sly sits among the floppy aristocrats, watching the performance which they share with the theatre audience. He inter-

venes occasionally, reassured by Petruchio, "It's all right, it's only a play."

But what starts as a joke - fooling the drunk - transforms itself by the alchemy of drama, and beguiles the tricksters. This revives the play's concerns with states of wakefulness and dreaming. Sly is put back, finally waking to see the actors arriving for an after-show drink.

By framing the action, Alexander sidesteps the play's political difficulties in the post-feminist 1990s, since his *Shrew* has become a performance within a play. Alexander is not hamstrung by the self-censorship of political correctness. Kate's final speech no longer has to be ironic, for she speaks it not to the theatre but to a self-possessed twentieth-century woman in the closet audience. A feminist reaction is one among many in a complex and crowded scene.

The *Shrew* itself, played on a bare stage, has great energy and verve. It will tighten and quicken as the season advances. The principals are apt and subtle. Anton Lesser's Petruchio is the confused New Man of the 1990s: a soft centre baked to a hard exterior, and never simply the brawling *braggadocio* of tradition.

Opposite him, Amanda Harris as Kate appears in a poisonous crouch, every vituperation

wrenched from her like a concession. When she lightens up and agrees with Petruchio that the "sun" is indeed the "moon" or what you will, one senses the strong, uneasy accommodation of two strong wills.

Below stairs, Geoffrey Freshwater as Grumio plays the natural roustabout man's man. He involves the drawing closet onlookers in the dangerous homecoming scene (Dorian MacDonald and Barnaby Kay are particularly good at playing non-actors acting) ahead of Petruchio and Katherine.

Elsewhere, the parallel plot which Dr Johnson thought exquisitely entwined with the wooing of Kate, is carried by Trevor Martin as a sonorous Baptista, Rebecca Saire as a willowy Bianca, and a trio of suitors led by John McAndrew's bland Lucentio.

The staging is meticulous and exact, the lighting imaginative, the overall effect consistently winning. This production calls up the visceral world of the Sonnets, also from the 1590s: "Thus have I had thee as a dream doth flatter: In sleep a king, but waking no such matter."

Andrew St George

In repertory til January 1993 at the Royal Shakespeare Theatre, Stratford-upon-Avon. Box Office (0789) 259523

INTERNATIONAL ARTS PREVIEW & EXHIBITIONS

From April 20 to October 12, the Seville Expo promises to be the biggest stage on earth. There will be a daily programme ranging from street entertainment to performances by major figures of theatre, music and dance.

The opening production at the Maestranza Theatre will be Carmen (April 24, 28, May 2), conducted by Plácido Domingo with a cast including Teresa Berganza and José Carreras. At the end of May, the Metropolitan Opera gives three performances of *Un ballo in maschera* under James Levine, with a cast led by Domingo, who also stars in the Paris Bastille production of *Clelio* (July 19 and 22). Other operatic guests include major companies from Milan (July 10 and 12), Vienna (Sep 4, 6, 8) and Dresden (Sep 28).

There is also a roll-call of the world's great orchestras: the Berlin Philharmonic under Barenboim (May 5 and 7), the

Orchestre de Paris under Bichkov (May 6), the Israel Philharmonic with Mehta (May 11), the St Petersburg Philharmonic under Temirkanov (May 12), the Philadelphia Orchestra with Muti (May 16), the Oslo Philharmonic with Jansons (May 22), the Munich Philharmonic under Celibidache (May 23 and 24), the Gothenburg Symphony under Jarvi (Aug 23), the Vienna Philharmonic under Abbado (Sep 7) and the Concertgebouw with Chailly (Sep 21 and 22).

The programme in the open-air Auditorium includes the Paris Opéra Ballet production of *La Sylphide* (April 27 and 28), an anthology of Zarzuela featuring famous Spanish singers (May 8 to July 28), jazz tributes to Charlie Parker, John Coltrane and Miles Davis (July 13 to 28), a Gubaidulina world premiere conducted by Rostropovich (July 22) and a flamenco spectacular (Aug 2, 3, 4).

The dance programme at the Roman Amphitheatre of Italica includes the Martha Graham Dance Company (June 26 and 27), English National Ballet (July 20 and 21), the National Ballet of Chile (July 27 and 28), the Gulbenkian Ballet (Aug 3 and 4) and several major Spanish companies. The Central Theatre will host performances by the Frankfurt Ballet (June 25, 26, 27) and Anne Teresa De Keersmaeker's Brussels company (Aug 20, 21, 22), but its main programme will be devoted to avant-garde theatre,

with performances devised by La Cuedra, Juan Claudio Gallota, Fura dels Baus and others. All the plays will be Spanish premieres, and in some cases world premieres. (For more information, dial 0034 5 448 0404 from outside Spain, or 902 221992 in Spain).

EXHIBITIONS GUIDE

BRUSSELS: Musée d'Ixelles Turner's Rivers of Europe. Ends April 30. Closed Mon (71 rue Jean Van Voilem).
DUSSELDORF: Kunstmuseum Venice's Fame in the North: a major show of 155 outstanding Venetian 18th century paintings and drawings by Canova, Tiepolo, Piranesi and others, on loan from an international range of museums. Ends April 28. Closed Mon.
FRANKFURT: Schirn Kunsthalle The Great Utopia: the Russian avant-garde 1915-1932. Ends May 10. Daily.
Stadel Max Klingner (1857-1920). Ends June 7. Daily.
Deutsches Architekturmuseum: Antonio Sant'Elia: 400 drawings by the revolutionary early 20th century Italian architect. Ends May 17. Closed Mon.
GRANADA: Alhambra Palace Al-Andalus: The Art of Islamic Spain. The first comprehensive exhibition on the subject of Spanish Islamic art from the 8th to the 15th centuries. Set in the ornate palace left behind by the Moors who ruled Spain for nearly 800 years, the exhibition

demonstrates the spectacular power of Iberian Islamic arts and the multi-faceted culture of medieval Spain. Among the 120 objects are illuminated manuscripts, metalwork, ceramics, ivories, armour, textiles, carpets and architectural items. Ends June 5.

LAUSANNE: Musée d'Art Contemporain Peter Halley: 55 works documenting the American artist's work over the past ten years. Ends May 31. Daily.
Musée Cantonal des Beaux-Arts: Contemporary textile art: 62 works from 23 countries, including a broad selection from Scandinavia and east Europe. Ends June 28. Daily.
Fondation de l'Hermitage: Fifty Years of Vaudois Art: paintings, drawings and sculptures from the period 1890-1940. Ends May 10. Closed Mon.
LONDON: Accademia Italiana Rediscovering Pompeii: 200 excavated objects, offering insight into life in the first century and illustrating how computer technology has revolutionised the analysis of archaeological evidence. Advance booking through Ticketmaster 071-379 4444. Ends June 21. Daily.
National Gallery Rembrandt: Advance booking through First Call 071-240 7200. Ends May 24. Daily.
Tate Gallery Otto Dix. Ends May 17. David Hockney: Seven Paintings. Ends July 26. Brice

Marden: contemporary painter-engraver. Ends June 21. Turner: watercolours and drawings 1830-1840. Ends May 10. Daily.
Victoria and Albert Museum: Sovereign: items belonging to the Royal Family which have been seen in public, including coronation robes, gold plate and family photographs. Ends Sep 13. 20th century costume jewellery by Chanel, Dior and others. Ends July 5. Daily.
Royal Academy of Arts: Alexander Calder (1898-1976): versatile US artist. Ends June 7. Daily.
Barbican Van Gogh in England. Ends May 4. Daily.
MADRID: Fundación Juan March Alexej Jawlensky, Russian painter who settled in Germany and became friends with Klee and Kandinsky. Ends June 14. Daily.
Calcografía Nacional: Mexican drawings from the 19th century. Ends April 30 (Real Academia de San Fernando, Alcalá 13).
Centro de Arte Reina Sofia: Clyfford Still, American abstract expressionist. Ends May 17. Also Visionary Switzerland: the Swiss identity in art. Ends May 10. Closed Tues.

Museo Sorolla Zorn and Sorolla. Ends May 3 (Paseo del General Martínez Campos).
PARIS: Centre Pompidou Czech Cubism 1910-25: architecture, design, visual arts. Ends May 17 (Galerie du CCI). Also Georges Rouault (1871-1958). Ends May 4 (Grande

Galerie). Closed Tues.
Grand Palais Toulouse-Lautrec. Ends June 1. Closed Tues, late opening Wed. Tickets can be booked by phone on 4804 3886 and by fax on 4274 3069 (ave du Général Eisenhower, metro Champs-Élysées, Clemenceau). Also Les Lautrec de Lautrec at the Bibliothèque Nationale (1 rue Vivienne, 2e) and other exhibits echoing Lautrec's world at the Musée d'Orsay. Ends May 31. Closed Mon.
Louvre Clodion (1738-1814): largest exhibition ever devoted to the French sculptor. Ends June 29. Closed Tues (Hall Napoleon).
Musée des Antiquités nationales: The Stuart Court at Saint Germain en Laye at the time of Louis XIV. Ends April 27. Closed Tues (more information on 3451 5365).
Galerie Odeum-Cazeau: Germaine Richier (1902-1959). French sculptress. Ends April 25. Closed Sun (85 bis, rue Faubourg St Honoré).
ROME: Villa Medici More than 150 drawings by Raphael and his pupils, on loan from the Louvre and other major museums. Ends May 31.
Palazzo degli Esposizioni: Invisibilia: an unusual exhibition of objects taken from the bowels of Roman museums and historic villas, normally hidden from public view. Ends April 12.
St Peter's (Braccio di Carlo Magno): The Work of Man: from Goya to Kandinsky. 100 paintings describing the impact of the

industrial revolution on society and the new kinds of poverty it produced. Ends April 26.
Palazzo Ente-Eur Inca Peru: Rites, Magic and Mystery. 350 objects from museums in Peru, US and Europe dating from 1500 BC up to the Spanish conquest. Ends April 12.

VENICE: Fondazione Cini From Pisanello to Tiepolo: Venetian drawings from the Fitzwilliam Museum in Cambridge. Ends June 14. Closed Mon.
Palazzo Grassi Leonardo and Venice: an exhibition of drawings from Italian and foreign museums, exploring Leonardo's influence on painters of the Venetian Renaissance. Ends July 5.

Museo Correr Canova sculptures and the Farsetti Collection from the Hermitage. Ends Sep 30.

WASHINGTON: Arthur M Sackler Gallery Masterpieces of Mesopotamian Art from the Louvre: more than 30 objects, including engraved gold plaques, fragments of monuments and carved stone excavated by 19th century French archaeologists in the Middle East. Ends Aug 9. Daily.
National Museum of American Art Folk Art Across America: a new installation drawn primarily from the permanent collection. Also contemporary American landscape photography. Ends June 28. Daily.
Textile Museum: Oriental rugs from New-Avon private collections. Ends May 8. Daily.

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Friday April 3 1992

Tough time for Europe's left

FEW TEARS will be shed over the departure of Mrs Edith Cresson. But it is ironic that Mr Pierre Bérégovoy, the main architect of her downfall, should now take her crown. The new French prime minister has been the intellectual driving force behind France's tight economic policy of the last few years, the painful side-effects of which are largely to blame for the Socialist government's present unpopularity. Mrs Cresson, for all her faults, was sacrificed for this cause, a precedent upon which Mr Neil Kinnock might reflect.

Mr Bérégovoy may also find his electoral standing is rapidly squeezed by the burden of France's economic problems. The electorate is weary after years of high unemployment and slow growth, as last week's polls made clear. But there is little he can do to change things for the better. The French economy's downturn may well be reaching its nadir. Germany's post-unification expansion, which buoyed French exports and growth in 1990, has turned sour. But inflationary pressures remain, requiring the Bundesbank to keep the interest rates of all members of the European exchange rate mechanism at painfully high levels. German rates will remain high for some months yet.

Greater cost

Perversely, France's hard-won battle to reduce its inflation rate below that of Germany makes the real cost to it of Europe's tight monetary policy even greater. Nor will Mr Bérégovoy find it easy to follow the lead of other European countries and relax fiscal policy. The one achievement after years of rigour is France's lonely position as the only important European country that meets all of the convergence criteria for European monetary union.

In short, the French Socialist government will have to fight next year's general election against a background of sluggish growth and high unemployment, similar to that which in Britain may be about to deliver the first socialist government for more than a decade. Mr Kinnock's Labour party is also pledged to follow similarly monetarist policies to those of Socialist France.

There are some lessons the Brit-

ish Labour party would be wise to learn from the French experience if it is not to follow its socialist brother's example. The French government's problems are compounded by its failure to tackle France's persistent long-term unemployment problem. Labour has a clearer idea of the combination of counselling and training needed to reduce long-term unemployment. But it must also avoid the over-zealous regulation that has stifled French job creation, discouraged women from joining the labour market and kept female and youth unemployment rates at very high levels in the 1980s.

Ongoing strain

If it wins next week, Labour may have five years in which to get its act together and see unemployment on a downward trend. But that might not be long enough. Even if German interest rates are falling by 1993, they are unlikely to fall very far. The fiscal strain of propping up east Germany will last for some years to come.

Persistently high European real interest rates and a sluggish German economy are not auspicious for European growth. Nor would an ERM re-alignment allow interest rates outside Germany to fall further, although some form of re-alignment before monetary union may be inevitable for countries with persistent trade deficits such as Italy and possibly the UK.

The strains imposed by Germany's economic difficulties will be especially tough for left-wing governments to endure. Up to now, the French Socialists have judged the path of a rigid ERM - slow growth and fiscal restraint - to be worth the gains in terms of enhanced credibility with financial markets and the promise of Emu. Mr John Smith and his Labour party colleagues have made the same judgment.

Yet if European growth remains sluggish after 1993, and Emu is pushed further into the future, they will find life increasingly hard. Going forward to Emu or retreating to a more flexible ERM with independent national central banks, are both consistent with the agenda of Europe's social democratic left. But the status quo, if it persists into 1993 and beyond, may be too tough to tolerate.

Modernising the UK state

MODERNISING the governance of the UK will be a central challenge for whichever government emerges on April 10. Demands for the reform of Britain's system of government are growing, yet the debate in the election campaign has been limp.

On grounds of political efficiency alone, there is ample justification for reforming the management of the British state. The decline in local government has allowed central government to gather to itself overweening power. Parliament offers inadequate checks and balances to the power of the executive, leading to blunders such as the poll tax. Westminster itself is losing power to Brussels, yet behaves as if little has changed.

There is now a well-established agenda of issues. Top of the list is Scottish devolution, which - barring electoral upsets - will be irresistible. The Scots should have home rule if they choose it in a referendum, provided they accept a reduction in the number of their MPs at Westminster to give them equal representation with English and Welsh voters.

There is a pressing need to re-establish strong and accountable local government with a stable fiscal base. That includes an authority for London in order, at the very least, to deal with planning, transport, economic development and promotion. The wealth of quangos and out-of-pocket bodies which run everything from the health service to individual schools must be made accountable.

Questionable case

The case for an assembly in Wales and regional government in England is more questionable, but if the Scots have their assembly, pressure for wider reform will grow. Increasingly, English regions feel disadvantaged in the EC, as Brussels relates to a *Europe des régions*.

Even with devolution, however, Westminster would remain a tool for elective dictatorships. Fixed-term parliaments, freedom of information legislation, an elected second chamber and a bill of rights are all gathering support. So, too, is electoral reform for the House of Commons to ensure that no government is able to rule

without the support of a majority of the electorate (one reason why every emerging democracy in eastern Europe has chosen proportional representation). A by-product would almost certainly be much greater political stability, with change incremental rather than by the swing of the political pendulum - something which business should welcome.

Not immune

Sadly - and despite the best endeavours of Charter 88, the constitutional reform campaign - these issues have not had the airing they deserve. The Conservatives deny that there is a problem. They claim virtue in resisting Scottish devolution, which would could easily mean prolonged Conservative rule in England. However, a fourth-term Tory government will not be immune from the pressures for change from Brussels - or from Edinburgh.

To his credit (and self-interest) Mr Paddy Ashdown has banged the drum for reform, arguing that constitutional change is a pre-requisite for solving the UK's economic and social problems. Labour has endorsed parts of the same programme, apart from a strange desire to write its own bill of rights rather than incorporate the European Convention into UK law. But there is a whiff of a play for the Liberal Democratic vote in this endorsement - Labour seems unable to provide convincing answers to the detailed questions about reform, such as the timetable for change and the functions of different tiers of government.

Labour deserves credit, however, for setting up its commission on electoral reform, chaired by Professor Raymond Plant. Some think this a cynical exercise, certain to be shelved if Labour acquires an overall majority. But the first Plant report offers a cogent and erudite review of the options on electoral reform and the arguments for and against each.

If Labour leads the next government (in or out of coalition), it should be held to its pledge to convert the Plant commission into an official review involving a wider spectrum of opinion. The next parliament is the time for careful debate and action on this vital topic.

Mr Pierre Bérégovoy, France's new prime minister, is a paragon of gravity, moderation and great experience. Of all the available candidates, he looks the safest to take over the government, at a time when President François Mitterrand's administration is reeling from its humiliating rout in the recent regional and local elections. What is not immediately obvious is whether he also has that flair of inspiration, in addition to his many manifest qualities of decency, which might help him restore the political legitimacy of the Socialist government, now virtually destroyed.

This is the scale of the problem facing him. It is commonly said that whoever succeeded Mrs Edith Cresson would face two tasks of steeply rising difficulty. The first is to halt the disastrous collapse in the government's popularity which accompanied her 10-month premiership; the second is to encourage the Socialist party to face the general elections a year from now, if not with confidence, at least without the dreadful certainty of a total massacre. Equally commonly, it is said that the first task is difficult, and the second out of reach.

In fact, the crisis facing the government is far more serious than that. The question is not whether Mr Bérégovoy can climb up the charts again in time for next year's general elections, but whether this government can manage to stay in power even until the end of this year. The political crisis is now so acute that the Mitterrand regime may not be able to avoid either early general elections, or early presidential elections, or both.

The question of democratic legitimacy is clearly posed by the stunning collapse in popular support for the ruling Socialist party. Four years ago, in the 1988 general elections, the Socialists fell short of an absolute majority of seats in parliament, but at least they could claim the popular support of nearly 35 per cent of the voters.

In the regional elections of 10 days ago, by contrast, their popular support had shrivelled to less than 19 per cent. Of course, the regional elections have no effect on the Socialists' strength in the National Assembly, but a disavowal on this scale cannot fail to destabilise the credibility of their position as the party of government.

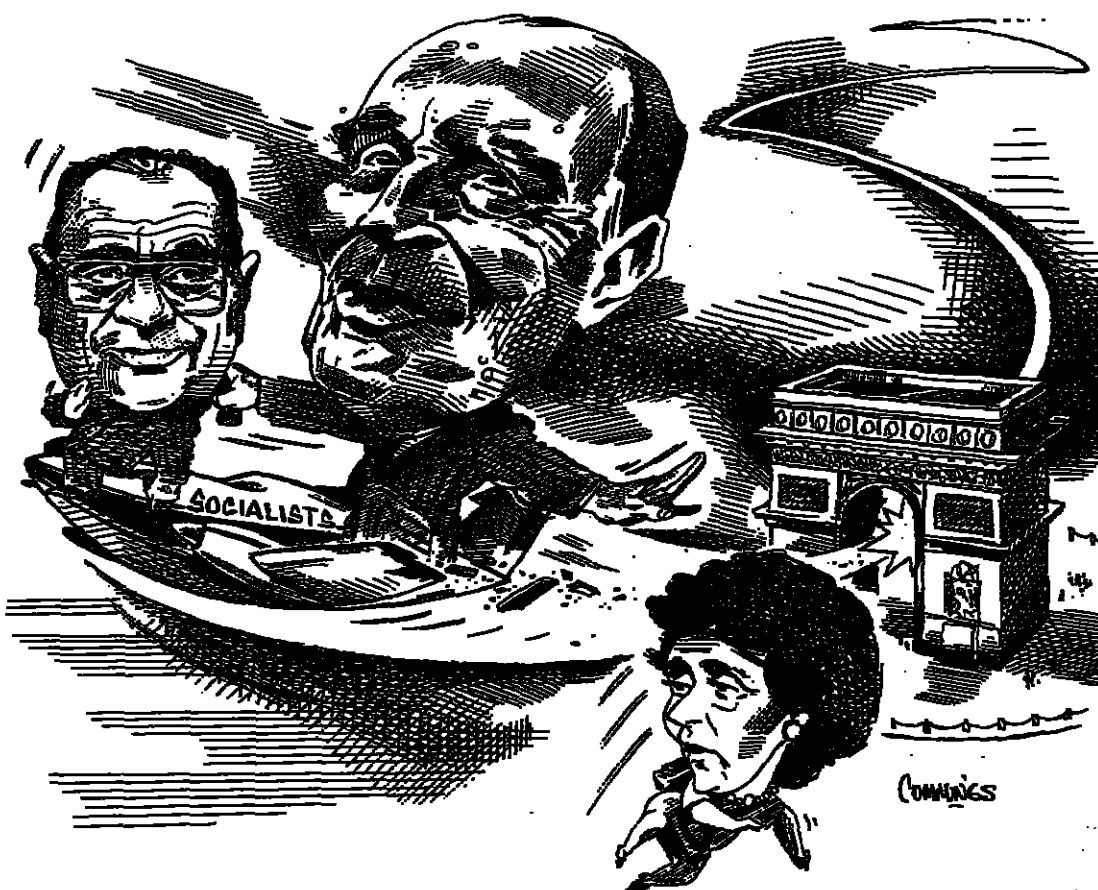
The regional elections may, however, have overstated the Socialists' loss of support. The free-fall proportional system encouraged a dispersal of voting, which would probably not apply to a real-life general election with majority voting. In the second round of the local elections, for example, the Socialists got nearly 25 per cent, and most polls of future voting intentions point to 22 or 23 per cent. Still, even 23 per cent represents a very large drop.

The follow-on effect of the regional election disaster is that it will become increasingly difficult for the Socialists to get legislation through parliament. As it is, the previous government often had to resort to awkward methods of pushing through its bills, to make up for its lack of an absolute majority. First, it co-opted some non-Socialists into the cabinet so as to enlarge the apparent size of its political base; second, it sometimes coerced the Communists into reluctant acquiescence by threatening to provoke a vote of no-confidence.

Neither of these devices is likely to work as well in future. The moderate conservative, Mr Jean-Pierre Soisson, was one of the leading non-Socialists in the outgoing Cresson

Safe hands for a party in distress

Ian Davidson asks whether the new prime minister can save the French Socialists



government. But he was forced to resign from his job as minister of public administration because he appeared to have accepted the support of the extreme right-wing National Front in his election to the presidency of the Bourgogne regional council.

Mr Brice Lalonde, leader of the Génération Ecologie movement, was minister for the environment in the outgoing Cresson government, but he has announced that he will not be a minister in a future Socialist government. He says he is revolted by the wheedling and dealing that have been taking place in the corridors of power of the newly elected regional councils. His real reason may be that, with more than 7 per cent of the national vote, he sees more advantage in working for his own party than for a Socialist government which looks doomed.

But the result is the same: his interest is to lead a party of opposition. Whatever his reasons, the Socialists will find it more difficult to co-opt symbolic figures from the ecological movements, who in any case are not represented in parliament. Moreover, centrists who were once tempted by President Mitterrand's overtures now know that they have much less to gain from helping the Socialists than from lining up with their more natural allies on the right.

The Communists, for their part, have finally rejected all vestiges of their one-time alliance with the

Socialists and are set to play an openly hostile role in future. In the regional elections their vote sank once again to a hard core of 8 per cent, compared with 11 per cent in the last general elections, and the party now seems to have decided that it has little left to lose. It has described its new posture as that of "opposition of the left", which implies a systematic hostility to the Socialist party. If the Communists accept that they are now doomed to the residual role of a protest party, but believe that their support can scarcely fall any further, they will be much less afraid of early general elections than the Socialists. As it is, they announced yesterday that they would not support a vote of confidence in the new Socialist government.

It is a measure of President Mitterrand's predicament that his preferred candidate to take over the prime ministership declined the invitation. Mr Jacques Delors, president of the European Commission, consistently sits right at the top of the French popularity ratings, and the polls say he is much the strongest potential Socialist candidate for the next presidential elections. As a result, he looked naturally cast for the role of the white knight who could rescue the Socialist party in its distress. He evidently concluded that the costs of the operation would far outweigh the rewards.

There seems no doubt that President Mitterrand and Mr Delors conducted intense negotiations last week. Their failure was made public on Monday, with the pointed announcement by Mr Delors' spokesman that the Commission president was fully engaged in the rest of his term, which runs until the end of this year.

According to Le Figaro, the negotiations foundered because the political conditions demanded by Mr Delors were unacceptably high. He insisted, said the newspaper, that he must have the authority to dissolve parliament, as a lever to exert the maximum discipline over the Socialist party.

In formal terms, such a condition could not have been met: under the constitution only the president has the authority to dissolve parliament. But the message was that Mr Delors was not interested in becoming prime minister unless President Mitterrand was effectively prepared to concede to him the ultimate powers of decision in the state.

This would be the second time that Mr Delors was offered the Hotel Matignon, but set impossible conditions. In the spring of 1988, the new Socialist government was being battered by continuing foreign exchange crises and third devaluation, as well as by a heavy electoral defeat in the March municipal elections.

The president turned to Mr Delors, then finance minister, and asked him to take over from Mr Pierre Mauroy as prime minister. Mr Delors said yes, but only if he kept control of the Finance Ministry. Mr Mitterrand refused and, after nine days of hesitation, Mr Mauroy was obliged to soldier on as prime minister for another 16 months. So Mr Delors stayed at the Finance Ministry, and imposed the new, rigorous and non-Socialist economic policy that is still in force.

The lesson of today's crisis is that the job facing any new prime minister is once again so difficult that the position is not necessarily attractive to a politician with further ambitions. At best, the prime minister in France carries responsibilities and risks which are far greater than his political authority: the president rules, and the prime minister is his submissive executive. In present circumstances, Mr Jacques Delors had nothing to gain, and a great deal to lose, from President Mitterrand's offer. He could only safeguard his popularity and his chances in a future presidential election by staying right away from the calamitous situation in France.

Yesterday, Mr Bérégovoy set an agenda which is clearly meant as an answer to France's disaffection and protest voters: unemployment and economic recovery, law and order, and the environment. This is unlikely to mean a significant change of policies, however, because his room for manoeuvre is so narrow. His key asset, his reputation for economic orthodoxy, remains unquestioned, despite a budget deficit which has swelled out of control as a result of the recession, because his anti-inflation achievements are intact. It is unlikely he will risk any heroic inflationary adventures, because they would do serious damage long before they did any good.

In any case, the managerial aspects of Mr Bérégovoy's programme will be overshadowed by the political dramas which lie ahead. President Mitterrand is in a position of great difficulty and weakness; it is entirely possible that he will be unable to complete his term, which expires in 1995; but he is certain to fight to regain the initiative right until the end.

How he will fight is still undecided, but he must take his stand on an issue of important political principle. There are two which are tailor-made for the battle: the ratification of the Maastricht Treaty of European Union, scheduled for next month; and a second constitutional revision, to shorten the term of the presidency, planned for the autumn. His problem is that he cannot make a conclusive personal comeback, except with a convincing "yes" vote in a popular referendum. The danger is that the electorate might vote "no" to the question, rather than "yes" to the question. Since President Mitterrand will not risk a rejection of the Maastricht Treaty, he is likely to push ratification through a special session of parliament.

The logical inference, therefore, is that he should wait until the autumn to stake his position and the standing of the Socialist government on the second constitutional revision in a popular referendum. But the key problem is that he may not be able to control the timetable. If the crisis breaks earlier for reasons beyond his control, much of his presidential legacy, starting with the ratification of Maastricht, could be in jeopardy.

Burdened but unbowed

John Lloyd on the fight over Russia's economic policy

Mr Yegor Gaidar, who was forced to step down as Russia's finance minister yesterday, told the Financial Times that the announcement that he was determined to ride out the criticism of his economic reform policy.

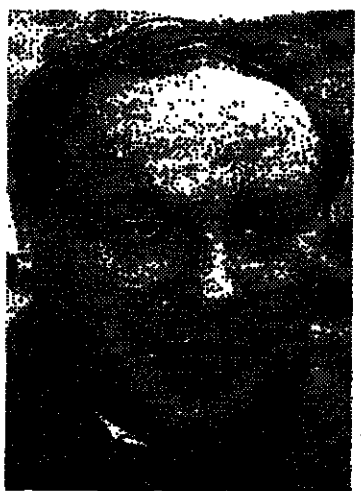
Though he said Mr Yeltsin "fully supports this government and the direction of its policy", he also said his tight credit policy would be significantly relaxed under pressure from the industrial managers, now starved of credits and with debts to the banks and to each other of more than Rb500bn. He said that about Rb100bn would be quickly made available to these enterprise bosses, "enough to ease their problems, but not so much that it threatens hyperinflation".

Mr Gaidar said he could no longer adhere to his previous target of balancing the budget this year, and that there would be a large overshoot in spending in March, April and May. This was because the government would fulfil its promises to fund some programmes that it had squeezed in the first two months of this year.

However, he said in the second half of the year he would be able to tighten money supply again: "I make no commitment on this, but I would hope we would keep to a deficit of less than 5 per cent of Russia's gross domestic product at the end of the year" (this compares with a 20 per cent deficit on the all-Soviet budget at the end of 1991).

He said the International Monetary Fund had itself suggested the loosening of credit - suggesting that without its pressure he might have continued the tight policy.

Stressing that he would stay on as deputy prime minister, Mr Gaidar forecast he would come under attack at Monday's meeting of the Russian Congress of Peoples Deputies. "There will be very strong criticism from the old communist bloc,



Yegor Gaidar: under pressure

there will be very strong criticism from the Russian nationalists, who will say I am selling the country to the IMF and the western powers. We will be criticised by the agrarian deputies because we don't care about agriculture and we will be criticised by the enterprise managers because they face serious problems of industrial restructuring.

"But what really should be at issue will be this: can you really afford to change the government now? Because a change of government will mean an institutional mess, and it will be very bad to get rid of a government that is so recently in office." He added: "I think we will survive next week."

Mr Gaidar said that the \$18bn balance of payment support and \$6bn stabilisation fund from the Group of Seven leading industrial countries announced on Wednesday was "a sign of very serious support. And it was the right moment to do it from the political point of view." He said he was "very satisfied" with the IMF's offer of a 3 per cent quota, giving borrowing rights of \$4bn once Russia gained membership at

the end of this month. "Of course, we would like more as a big important country, but first we have to prove we are a superpower economically as well as a superpower because we have nuclear weapons."

Mr Gaidar says the government will use the \$6bn stabilisation fund to allow the Russian Central Bank to intervene in the markets to keep the rouble at a rate floating at - on his present estimates - 40 to 50 roubles to the dollar (it is presently at Rb110). He said the government's original calculations that the rouble could be fixed at 25 to 30 roubles to the dollar had been revised, and that "we would never attempt to defend an overvalued rouble".

There were no fears, he said, that there would be a speculative run on the rouble which would eat up all of the \$6bn stabilisation fund - "quite small interventions by the bank would be enough to deter speculators, because the market is really quite limited". He said the new rate of the rouble should be set after oil prices were raised (though not freed) to about Rb2000 a tonne in two months. Liberalisation of oil prices to world levels might take a year and half longer after the first price rise to allow the restructuring of the industry. It would reach these levels in stages.

He would not be drawn on what other changes would be announced in a wider reconstruction of the cabinet, but said that Mr Boris Yeltsin, the Russian president, would remain as prime minister. He evaded giving any reply on the future of Mr Gennadiy Burbulis, the first deputy prime minister. It seems likely that Mr Burbulis will lose this role in the reshuffle.

There was no sign in the interview, given in the old Communist Party Central Committee headquarters, that Mr Gaidar was a broken politician: merely one who has learned to compromise, and to survive.

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Joe Rogaly

Stalemate before the final frantic lap



Next week the British general election may turn into the most exciting race for power since Hubert Humphrey nearly pipped Richard Nixon at the post in 1968.

I remember being telephoned from London while the count was on. "We must plan our vote from across the Atlantic. Which is it to be - Democrat or Republican?" Sitting on the edge of a chair in Washington, the only possible response was to shut one's eyes and guess. "Nixon," came the scared whisper. In the event, he got a fractionally larger vote than Humphrey, and squeaked through in the electoral college.

Next Thursday, we could be transfixed, hypnotised by the little screen, staring at swingometers and chequered maps of Britain, while holding drinks in one hand and using the other to tick off individual seats. Several TV pundits will be required to explain Scotland to the rest of the nation. In Northern Ireland the UVF, the utterly unpredictable unionists, will continue to flummox us. A few disgruntled ex-MPs standing as independents may make a difference in certain constituencies.

All of this presupposes that the polls will continue to predict a parliament in which no party holds an overall majority. If the outcome is indeed as close as that, we will be counting heads through the night to establish which of the big two commands the largest number of seats - Mr Neil Kinnock's Labour, or Mr John Major's Conservatives. In either circumstance, the precise numbers will be decisive. In the pre-polling chit-chat of the past few weeks one constant assertion has been that if the Conservatives return fewer than 315 MPs (336 being necessary for an overall majority) they will be out, since not even the UVF could save them then.

You can read a forecast of a hung parliament into the polls published so far this week. The graphs of the results have told the same story for six months. They register approximately 38-40 per cent Tory, 40-41 per cent Labour, and mid-to-late teens Liberal Democrat. Mori's polls in The Times have shown Labour at 41 per cent in week one of the campaign, 43 per cent in week two and 41 per cent in week three. In the same poll, the Tories have stayed put at 38 per cent. The Lib-Dems have moved up a point, to 17 per cent.

Our FT poll of polls, based



Neil Kinnock: beginning to chafe against the suit and tie

on a six-point moving average of the half-dozen most recent reports sorted by field date, has also registered virtually no change. The exception is this week's nearly three-point drop in the Conservative score. It is balanced by an equivalent rise for the Liberal Democrats. That is probably significant, but be warned. The whole hash of numbers, from seven points ahead for Labour to half a point ahead for the Tories, is within the polling methodology's standard margins of error.

The picture could change when Sunday's fresh crop of results appears, or again next week as the final snapshot counts are published. This week we had a rehearsal of what could be another roller coaster ride, with the polls saying hung parliament on Sunday, Labour walkover on Wednesday, and hung parliament yesterday.

There is another possibility. The betting at Ladbrokes, on the IG index and elsewhere, suggests that people are beginning to put their money on a Labour victory. The markets are hiding their cash from the very same prospect. But what kind of a Labour victory? Some punters say flatly that Mr Kinnock will win outright. There is a strong argument in favour of this theory. Labour is ahead on most of the issues that vot-

ers say are important, including education, health and the welfare state. It has succeeded in narrowing the gap on economic confidence. There is also a powerful feeling, skillfully exploited by Mr Kinnock, that it is time for a change.

Against that, it could be that Labour has peaked too soon. Its huge rally in Sheffield on Wednesday night was either an inspirational ode to joy, as the Labour leader would have it, or a triumphal display in less than excellent taste, as it may have struck those who saw it on TV. Mr Kinnock has disciplined himself well during this campaign. At every opportunity he has presented and reinforced the appearance of a prime minister-in-waiting. In truth he has shown a

remarkable and hitherto little suspected capacity to control his own reactions and prudently shape his face. That could turn out to be a more telling characteristic than his celebrated changes of policy.

This week, however, Mr Kinnock's natural ebullience has begun to press against his neat suit and tie, as it did when he was playing up the crowd in Sheffield. He would not be human if he was not susceptible to the thrill of anticipation of victory, but he constantly needs to remind himself that over-confidence can lead to

error, and error to defeat.

Such things matter. For this is turning out to be that rare exception - a contest in which the actual details of the campaign could decide the result. I'll come to those details in a moment, but first let me clear away a counter-argument. To say that the campaign is changing people's minds is not to contradict the view that there are deeper forces at work. It is just that recent history is now well accounted for.

We know that the Conservatives have been relying on continuing mistrust of Labour; Labour on deep disenchantment with the recession. We are aware that Labour has worked hard to escape from the aura of untrustworthiness in which the electorate has imprisoned it since 1979. That has moved the party to 40 per cent plus and kept it there. It has been established that the Conservatives are riding a push-me-pull-you. They are dragged forward by Mr Major's attention to public services, and backwards by the need to defend the Thatcher decade. Forwards by, shall we say, some of their manifesto commitments to social services, and backwards by the poll-tax demands arriving this very week. That lethal mixture originally got them down to 40 per cent minus, from which they may now have begun to descend. These are all givens.

The net result is stalemate. Analyses of the profound changes in British history that lie behind this result can take us no further. What could count at this stage, therefore, is the superficial stuff: the campaign strategies and tactics, the images the parties and leaders present to the public, and the last-ditch arguments produced as time races on.

It is for this reason that Conservatives have been drifting over to Mr Paddy Ashdown's party. Mr Major does not suit the part of political tough. Anti-Kinnock invective sounds false coming from his lips. His campaign has been ham-fisted. Too many generals have led a toy-soldier army of headquarters staff. Mr Ashdown's smooth crusade owes much to his willingness to submit himself, and his entire team, to the control of a single manager, the adept Mr Des Wilson. The Lib-Dem leader is the most popular campaigner of the three. If Mr Major can frighten some of Mr Ashdown's supporters away by saying they are letting Labour in, the race could yet be a cliff-hanger for the Tories. If not, we shall awake bleary-eyed at about this time next week to see Mr Kinnock on his way to No 10 Downing Street.

OBSERVER

Double trouble

■ To match the two memorial services being held for him today, Australia's late mining magnate Lang Hancock had two big slices of luck.

First, his sheep farm turned out to hold iron ore for which the CRA mining group pays \$5.2m yearly. He spent it on quirky schemes - like sterilisation for Aborigines - that got him branded a crackpot.

The week since he died has brought nastiness, starting with police swooping on his Perth mansion, saying they'd heard he had been poisoned. And his doctor's delay in certifying his death has not deterred squabbling between his third wife Rose and his daughter by an earlier marriage, Gina Rinehart.

Each sent a hearse to collect his body from the mortuary, which refused to release it to either. The widow finally prevailed, but the rivalry continues in the holding of separate memorial services. The estate should be less contentious. It is to be divided equally between the two, with the proviso that neither must contest the will, on pain of disinheritance.

To add to the rancour, Mrs Hancock's daughter by a previous marriage showed off the magnate's death room to a less than respectful TV programme, with the result that the widow plans to go on the box today to defend her good name. Hancock's second slice of luck? He's not there to see his family's behaviour.

Yet another

■ The last thing seemingly needed by Britain's biggest venture capitalist is another chartered accountant. The place is crawling with the

selfsame species already. Hence the appointment of Alan Wheatley, Price Waterhouse's senior London partner, as next chairman of 31 looks unlikely to inspire punters to back what is going to be a difficult stock market flotation later this year.

While Wheatley is big in the profession and has sat on the boards of Cable and Wireless and British Steel, he has spent more than three decades climbing his way up the Price Waterhouse tree. He is certainly not in the same sort of league as previous 31 chairmen such as Lords Sherfield, Seeborn and Caldecote.

Admittedly, he is still only 53 and Price Waterhouse is a much bigger business than 31. So he may yet turn out to be an excellent choice.

However, the success of eminent accountants in turning from professional practice to running businesses is less than compelling. For example, Ian Hay Davison has still to prove his mettle at Storehouse, and the mixed records of company chairmen on the lines of John Darby (ex-Arthur Young) scarcely justify certainty about the wisdom of Sir John Cuckney's choice.

Cheers

■ Nice to see that Observer's favourite - Phyllis Cunningham of the Royal Marsden - won Veve Chicnot's much-hyped Business Woman of the Year award. Being chief executive with 2,000 staff and an annual budget of £80m a year is a more demanding job than many in the private sector.

All the same, the competition was not as fierce as it might have been. It's said that Kathleen O'Donovan, BTR's spectacular finance



"I'm a tactical non-voter"

director, was short-listed but refused to contend. Could she have been worried that a win might sharpen boardroom jealousy of her fame?

Up the pole

■ What's up with Lech Walesa? Although the Poles have grown used to indulging their president's strange whims, they've been cringing in embarrassment at his antics during his official visit to Germany, the first by a post-Communist Polish leader.

The trouble arose while Walesa and a group of Bundestag deputies were discussing his ideas about relations between Poland and the EC and NATO. On being asked to explain in more detail, Walesa was his usual evasive self, responding with generalities and red herrings.

Not impressed, some of the deputies began to drift out of the room. Whereupon Walesa lost his temper. "I would get better treatment in hospital than here," he reportedly exclaimed. "At least they would give me a bedpan." Amid much clearing of throats, the Bundestag

committee chairman promptly wound up the meeting to allow Walesa to answer the call of nature.

While it is not clear what is causing the latest bizarre behaviour, one theory is that Walesa is increasingly preoccupied with efforts by other politicians to form a grand coalition back in Warsaw. The idea that an effective government might be imminent is apparently too much for the president, who has been striving to keep the political scene fragmented while seeking to define a role for himself.

The Germans, meanwhile, have been puzzling over Walesa's quirky humour. His latest joke involves urging Mercedes to invest in Poland so as to reduce thefts of their cars in Germany.

Fleece day

■ Most countries' citizens, seeing sheep on the roof of their national parliament, would conclude they must be wolves in disguise. But that was not the case with the 100-strong flock grazing on Australia's parliamentary heights in Canberra.

They were there to mark National Wool Day, intended to recover the Australian wool industry from the dip which last year took prices to a 25-year low of \$1.50 a kilogram. As the woolly backs grazed above, the woolly minds in parliament below debated the industry, accompanied by the click of democrat senator Cheryl Kernox's needles as she knitted a bright yellow jumper. There was also a wool auction which raised an average price of £2.55 a kilo.

Even so, further trouble looms. Australia's sheep-shearers are protesting about an influx of shearers from New Zealand, accusing them of undercutting.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Labour tax plans will drag down south-east

From Mr P J Damesick.

Sir, In assessing the alternative economic policies of the main political parties, their differential regional impact must not be overlooked. In particular, there are serious risks inherent in Labour's shadow budget because of the potential damage to the UK's most important economic region of south-east England.

Average earnings for non-manual male workers in the south-east were £22,100 pa in 1991. This is the level at which Labour's income tax and National Insurance increases would start to bite. In Greater London, more than 10 per cent of the white collar male workforce earn over £40,000 pa and would face the top tax rate of 50 per cent (plus 9 per cent NI contributions).

Average earnings in London and the home counties are higher elsewhere in Britain, but so too is the cost of living, especially housing. We saw in 1989-90 the crippling effect of high interest rates on heavily mortgaged households in the south-east.

With the Institute of Fiscal Studies predicting that one-quarter of London's households would be worse off (in many cases, significantly so) under Labour's tax plans, the risk to consumer and housing markets is clear. The real "double whammy" for the south-east would be if Labour's fiscal shock for higher earners were combined with higher interest rates needed to support sterling in the ERM.

In the early 1980s the south-east led the economy out of recession. This time the region was hit first and hardest in the downturn, dragging the rest of the economy down with it. If Labour's new tax regime weakens south-east consumer and housing markets further, this could hold back national recovery.

P J Damesick, director of research, St Quintin, 33 Cavendish Square, London W1M 9HF

American sees Tories as lacking courage to use legislative power

From C Warren Carter.

Sir, It is with some bemusement that I sit here in New York and watch the continuing decline of the Conservative party in the UK. Having spent nearly five years living and working in London, I had grown envious of the English parliamentary system where a government has the power of immediate legislative action.

I am somewhat dumbfounded by the Tories' refusal to have used this very authority to do something for the struggling UK economy and in turn improve their standing with the electorate. Instead of addressing the problems of Britain's high unemployment, a severely weakened property market, low consumer confidence and high interest rates, John Major and his party have wooed voters with small, piecemeal budget giveaways and a message to voters somehow to trust in government to turn things around.

Not surprisingly, Mr Major has found it difficult to explain to British workers why they

are being priced out of jobs by high German interest rates. Indeed, the real message coming through seems to be to let the Bundesbank and ERM work their magic and everything will be fine.

I seriously doubt that the average UK worker cares much about the ERM, Ecu, Ecu, or the grand strategies put forth at Maastricht. He does, however, understand the relationship between the cost of money and his mortgage payments and the restraint that high interest rates impose on his own economy.

I would also suspect that voters in the UK sense that the government's intransigent adherence to a weak economic theory as the basis for public policy is sign enough of a confused cabinet.

Even if one accepts that the UK's entry into the ERM was appropriate (and I feel that it was) there is little empirical evidence to support an argument that high interest rates should be the sole tool for maintaining a "correct" level

of sterling exchange rates. The value of any country's currency is usually a reflection of its overall economic well being - and sterling sits at the bottom of the ERM because the economy is so weak.

Many wise pundits staked their reputations on the notion that the UK, with its high rates, upon entering the ERM, would be forced to lower interest rates to keep sterling from moving through the top of its upper band. The upward push in sterling never occurred, and it is puzzling to witness a government stymied by the equally specious view that lowering rates now as a part of a responsible growth package would destroy confidence in sterling.

If the Tories lose power on April 9, it may well be because Mr Major has not taken a more courageous stand on the economy. C Warren Carter, Aubrey G Lanson & Co, 20 Broad Street, New York, New York 10005

No benefit from road pricing

From Mr Paul Everitt.

Sir, The suggestion that commercial users would benefit from road pricing is both misleading and naive ("Commercial users seen to gain from road pricing", April 1). Road pricing would reduce their business in urban areas.

In Sweden, the local council in Stockholm has estimated that road pricing would reduce retail trade by 8 per cent. Clearly, such a reduction in economic activity would soon erode any operational benefits that might accrue to commercial users.

While road pricing may offer a conveniently simplistic solution to urban congestion, the practical realities of its introduction are more complex and disturbing. During the 1980s, 80 per cent of the growth in retail floor space took place in out-of-

town sites. Pricing urban roads and discouraging their use will only create greater pressure for the development of green field sites where access is cheaper.

Road pricing is socially divisive and inequitable. The wealthy will be able to afford personal mobility, the poor will not. Despite improvement to public transport many will still aspire to be car owners. The majority of people will find road pricing as popular as the poll tax.

Paul Everitt, assistant director, British Road Federation, Pillar House, 194-203 Old Kent Road, London SE1 5TG

More than a new town

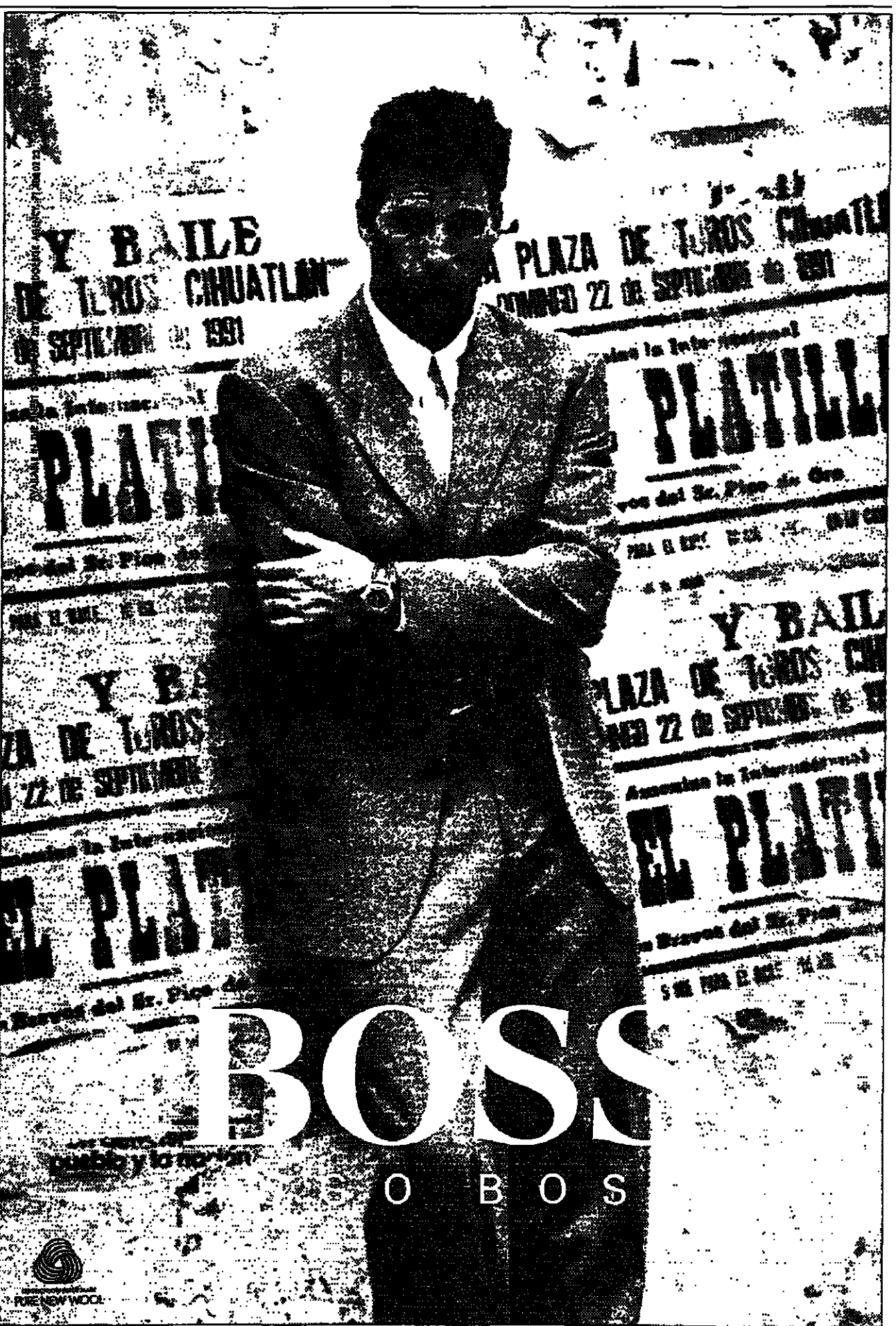
From Mr Geoffrey A Springer.

Sir, Vanessa Houlder refers to new towns showing their age ("The Property Market", March 27). I would like to point

out that the infrastructure of a town is as important as the design of the buildings, if not more so.

The first new towns were chosen in strategic locations with excellent road and rail communications and good access to London. They were well planned with good road systems, ample car parking, shopping and leisure facilities in the right position within the towns together with quality modern housing.

Stevenage, for example, continues to attract investment from major multinational companies. Over the past three years more than £1bn has been invested in the town by such companies as Glaxo, Provident Mutual, Confederation Life and British Aerospace. Is it a coincidence that Stevenage has only one set of traffic lights? Geoffrey A Springer, director, Markheath, Markheath House, 31 St George Street, Hamover Square, London W1R 9FA



INTERNATIONAL COMPANIES AND FINANCE

Deutsche Bank plans stricter rules

By David Waller in Frankfurt

DEUTSCHE BANK, the largest bank in Germany, is to be the first of the country's big banks to introduce an Anglo-Saxon style compliance regime. The plan is to introduce strict rules designed to prevent the misuse of sensitive financial information.

Speaking yesterday as the bank reported a 16.5 per cent increase in operating profits to DM6.97bn (\$3.51bn) last year, Mr Hilmar Kopper, chief executive, exhorted rival German banks to follow suit. He said this would help strengthen Frankfurt as a financial centre.

The new regime will introduce formal Chinese walls between bank departments and will introduce a "restricted list" of shares, designed to impose rigorous limitations on own-account trading, both for the bank acting on its own account and for employees' personal deals.

There will also be a "watch list" for situations when the bank has access to market-sensitive information not available to the public. It will be modelled on best practice at Anglo-American securities houses, in particular on Morgan Grenfell, Deutsche's UK merchant banking subsidiary, and is to be policed by a new 55-strong compliance department headed by a senior bank executive.

The move comes nearly three months after the Bonn government announced plans to set up a central regulatory body for the German securities industry and to introduce tough penalties against insider dealing, which is still not illegal in Germany.

Last year, Frankfurt was plagued with a succession of scandals which, bankers fear, has made international investors wary of dealing via German securities firms. Buoyed by strong demand



Hilmar Kopper: exhorted rivals to follow suit

for credit in both the east and west of Germany, interest income rose 17 per cent to DM10.82bn last year.

As previously announced, the bank is planning to raise its 1991 dividend, by DM1 to DM15 per share, although Mr

Kopper said this was no reason for the bank to yield to bank unions' demands for a pay award of 10.5 per cent and shorter working hours.

Mr Kopper said the group's balance sheet was so healthy - following growth of DM49bn to DM449bn this year - that there would be no need to raise equity capital this year, although the bank may take the opportunity to raise secondary capital via an issue of profit-participating certificates.

Mr Kopper said the bank's uninsured exposure to the former Soviet Union stood at under DM1bn, while the amount not covered by provisions was less than DM100m.

The cover ratio for the group's problem loans to 60 countries stands at 84 per cent. Group commission income last year rose by 5.4 per cent to DM3.77bn. The strongest contribution to profits on own-account trading came from fixed income business.

Hugo Boss approaches Adidas head for top post

By Andrew Fisher in Frankfurt

MR René Jäggli, the Swiss-born judo expert who intends to step down as head of the Adidas sports shoe and clothing group at the end of this year, has been approached by Hugo Boss, the mens' fashion company, about becoming its chief executive.

A decision by the supervisory board of Boss, of which the Marzotto group of Italy acquired majority control from the privately-owned Leyton House company of Japan late last year, is expected in a few weeks. Other candidates have also been approached.

When announcing his decision to leave German-based Adidas - controlled by Mr Bernard Tapie, the French financier - the ex-judoer Mr Jäggli, 43, whose background is in marketing, cited personal reasons.

Adidas is now making increased profits after several years of difficulty caused mainly by tougher competition in the US from Nike and Reebok.

Mr Jäggli, who is Swiss, has held talks with Mr Joachim Semmler, who chairs the supervisory board of Boss. The company is run by brothers Uwe and Jochen Holy, who have contracts until 1994 but have said they would leave earlier if necessary.

Since no successor has yet been found at Adidas, Mr Jäggli is unlikely to take up any job at Boss until the year is out.

La Cinq judgment today may black out channel

By Alice Rawsthorn in Paris

LA CINQ, the troubled television station, will today discover whether it is to become the first national French TV channel to go off the air.

Mr Michel Rouger, president of the commercial court in Paris, has spent the past two months analysing the financial situation at La Cinq, which filed for bankruptcy at the beginning of this year.

He is expected today to deliver his judgment on whether it can continue broadcasting or should close.

Until last week it looked as though Mr Silvio Berlusconi, the controversial Italian businessman, might have rescued La Cinq. Fininvest, one of the Berlusconi companies, had tabled a FF1.5bn restructuring

package intended to keep the channel afloat.

Mr Berlusconi, a founding investor in La Cinq and still one of the largest shareholders, alongside Hachette, the French media group, with a 25 per cent stake, had hoped to persuade other investors to participate in the scheme. However, he failed to attract enough support for his proposals and announced his withdrawal on Tuesday last week.

Fininvest has since held further talks with other interested parties, including the Union des Annonceurs, the body that represents France's advertisers, in the hope of putting together a last-minute package. Last night, they appeared to have come to nothing.

In the meantime, other companies have been putting together plans for stations to

broadcast on La Cinq's frequency. TF1, M6 and Canal Plus, three other French TV stations, have been working on a project for a French language version of CNN, the news channel.

There have also been reports that the French government favours relaying Arte, a cultural channel, in La Cinq's place.

As La Cinq's 600 staff wait to hear their fate, the company's shareholders are counting the cost of its problems. Earlier this week, Hachette disclosed that it envisaged making a provision of FF1.8bn for its losses on La Cinq, which will take such a toll on its balance sheet that it has been forced to ask its banks for an injection of capital in a formal financial restructuring.

Scroggs moves up in Fisons board shuffle

By Paul Abrahams

FISONS, the troubled UK pharmaceuticals group, yesterday shuffled its board. Mr Cedric Scroggs, presently chairman of the scientific equipment division, has been appointed chief executive of the company and chairman of the pharmaceutical division.

The move fills the gap left by the resignation of Mr John Kerridge, who retired as chief executive last year. The company said Mr Peter Fothergill, pharmaceutical chairman, had also resigned.

Fisons also announced that

FDA officials are due on April 20 to inspect its manufacturing facilities for Opticrom, its bay-freight treatment, which has been withdrawn in the US on the request of the FDA. It has not asked them to inspect the facilities for Imferon which has also been withdrawn. The company has said it may not relaunch the product.

The announcement pleased analysts, although there was some disappointment they had not been able to find an external candidate from the pharmaceutical industry. The stock closed up 8p at 334p.

Mr Scroggs took over the sci-

entific equipment division in 1981 when it had a turnover of \$24m (\$110.2m) and profits of \$2.8m. Last year, the division made \$68.4m on sales of \$245m. More than 50 per cent of sales are now in the US.

With his appointment as chairman of the pharmaceutical division, deficiencies in communications between the pharmaceuticals management committee and the main board have been reduced to zero, said Mr Scroggs. The various divisions would no longer operate as independent fiefdoms.

Mr Scroggs said it was too early to give details of any new

strategic moves. But Mr Patrick Egan, group chairman, said the company was not in negotiations with any other company with a view to merger, nor had it received any offers. He added he had no intention of selling the horticultural business.

Mr Egan said the pharmaceutical division would concentrate on products for respiratory and central nervous system ailments. He said the company had had something of a lull in not collaborating with other groups.

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Penser seeks redress on Nobel shareholding

By Sara Webb

MR ERIK PENSER, the Swedish financier and former majority shareholder in Nobel Industries, will formally approach Sweden's centre-right government in an effort to win back his stake in the chemicals group.

Mr Penser was forced to hand over his 70 per cent shareholding in Nobel, a company which he had built up

over many years, to state-controlled Nordbanken late last year after the collapse of Gamlestad, a finance company controlled by Nobel.

His decision follows a recent independent report on the conduct of Swedish banks towards Nobel and Gamlestad. The report, by I. Jan Ramberg, a professor of law at Stockholm University, criticised Nordbanken for its conduct in the affair.

In view of the report, Mr Penser said he wanted the government to show some responsibility as a key shareholder in Nordbanken - and indirectly in Nobel Industries - by helping to resolve the matter.

Mr Penser said he would settle his personal debts to the banks - just over SKr3bn (\$501.5m) - in exchange for his 70 per cent shareholding in Nobel. Although Mr Penser did not

have the funds at his disposal, he said several leading international banks had indicated they would lend him the necessary money, providing he had the Nobel shares as collateral.

If Mr Penser does regain control of Nobel, it seems likely he would try to buy the outstanding shares and take the company into private ownership.

He has already started legal proceedings against Nordbanken.

Heineken to sell Spanish breweries

By Andrew Hill in Brussels

HEINEKEN, Europe's largest brewer, plans a further restructuring of El Aguilón, its loss-making Spanish operation, and may take extraordinary changes in 1992 to cover this and other rationalisations, Reuters reports.

The company said it would sell two El Aguilón breweries in Zaragoza and Córdoba and focus production on Madrid and Valencia.

Skis Rossignol in FF35m loss

By William Dawkins in Paris

SKIS ROSSIGNOL, the leading French producer of skis, tennis and golf equipment, estimated yesterday it suffered a FF35m (\$9m) to FF40m loss in the year to the end of March, but predicted better times ahead.

This is a disappointment after last September's announcement by Mr Laurent Boix-Vives, the chairman, that Rossignol would return to profit in 1991-1992.

However, it marks a partial recovery from last year's record FF140.8m loss, the effect of several years of poor snow and the recession in winter sports generally.

This is the latest evidence of the start of a recovery for the ski industry, following optimistic forecasts from Salomon, the world's leading maker of bindings and number two in ski-boots.

Mr Boix-Vives, speaking at a conference in Austria, forecast

that Rossignol would make a FF50m profit in the current year to March 1993, helped by the success of its equipment in the winter Olympics, when 18 medal winners used Rossignol skis.

Sales rose by an estimated 10 per cent to FF1.5m last year and should reach FF1.7m in the current 12 months, he said.

The group managed to sell 1.5m pairs of skis last year, up from 1.45m in the previous 12 months, in a stagnant market.

Belgian insurer advances 12%

By Andrew Hill in Brussels

GROUPE Royale Belge, the Brussels-based insurer, yesterday announced a 12 per cent increase in its consolidated profit for 1991, but refused to comment on plans to collaborate on insurance products with Banque Bruxelles Lambert (BBL), the Belgian bank in which it owns a stake.

The company, 47 per cent of which is controlled by Union des Assurances de Paris, reported a profit of FF1.2bn (\$123m), against FF1.3bn in 1990, despite a FF3.1bn drop in surpluses for the year.

The company said personal insurance business had improved in all sectors after a poor 1990. The directors will propose an increase in the net dividend to FF140 from FF130 per share.

Royale Belge and Winterthur of Switzerland - both BBL insurer-shareholders - have been courting the bank about a joint deal in the field of bancassurance, or selling insurance through banks.

BBL announced last month that it was open to collaboration with any of its shareholders, thus dampening speculation that it was

about to select a partner. Mr Jean-Pierre Gérard, Royale Belge's managing director, pointed out yesterday that Royale Belge did most of its bancassurance business with BBL's competitor, Générale de Banque.

Electrabel, the gas and electricity generator and distributor which is Belgium's largest utility company, reported a BF22.25bn profit for the year, compared with BF22.16bn in 1990.

The company is proposing to increase the net dividend to BF200 per share from BF279 last time.

Deutsche Bank Aktiengesellschaft

(Incorporated in the Federal Republic of Germany with limited liability)
Frankfurt am Main

We are convening our Ordinary General Meeting this year on Thursday, May 21, 1992, 10.00 a.m. at the Gasteig, Rosenheimer Strasse 5, 8000 Munich 80.

Agenda:

1. Presentation of the established Annual Statement of Accounts and the Management Report for the 1991 financial year with the Report of the Supervisory Board
2. Presentation of the Consolidated Statement of Accounts and the Report of the Group for the 1991 financial year
3. Resolution on the appropriation of profits
4. Ratification of the acts of management of the Board of Managing Directors for the 1991 financial year
5. Ratification of the acts of management of the Supervisory Board for the 1991 financial year
6. Election of the auditor for the 1992 financial year
7. Consent to inter-company agreements with subsidiaries

The Board of Managing Directors and the Supervisory Board propose that the profit and loss transfer agreements concluded with the following wholly-owned subsidiaries be consented to with appropriate application of § 293 (2) Joint Stock Corporation Act:

- a) DB Capital Markets (Deutschland) GmbH, Frankfurt am Main, agreement of 27.3.1992;
- b) Pafa Beteiligungsgesellschaft mbH, Frankfurt am Main, agreement of 27.3.1992.

The above agreements are available for inspection at the offices of Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 6000 Frankfurt am Main. The contents of these agreements are essentially as follows:

The subsidiaries undertake to transfer their trading profits to Deutsche Bank Aktiengesellschaft, which for its part undertakes to compensate any annual losses at these subsidiaries pursuant to the provisions of § 302 Joint Stock Corporation Act. The transfer of income from the writing back of voluntary reserves created at the subsidiaries prior to the agreements is ruled out. It is permissible to form new reserves insofar as this is economic in accordance with sound commercial judgement. All agreements are valid from 1.1.1992; they may be terminated at the end of a calendar year with one year's notice, but not earlier than as at 31.12.1997.

Shareholders entitled to participate in the General Meeting and to exercise their right to vote are those who have deposited their shares during normal office hours and in the prescribed form at a depositary

bank until the end of the General Meeting. Depositary banks are those specified in the Bundesanzeiger of the Federal Republic of Germany No. 66 of April 3, 1992.

Depositary banks in the United Kingdom are:

Deutsche Bank AG,
London Branch,
6, Bishopsgate,
London EC2P 2AT

Midland Bank plc,
Securities Services UK Department,
Ground floor, Suffolk House, 5 Laurence Pountney Hill,
London EC4R 0EU

Shares shall only be deemed deposited if they have been lodged by May 14, 1992, at the latest, with either of the aforementioned depositary banks or with any other authorized depositaries in the United Kingdom. In the U. K., entrance cards or forms of proxy will be issued by the aforementioned offices of Deutsche Bank AG or Midland Bank plc to whom application should be made.

With regard to the exercise of voting rights we wish to draw your attention to § 18 (1) of our Articles of Association:

"The voting right of each share corresponds to its nominal amount. If a shareholder owns shares in a total nominal amount exceeding 5% of the share capital, his voting rights are restricted to the number of votes carried by shares with a total nominal amount of 5% of the share capital. Shares held for account of a shareholder by a third person shall be added to the shares owned by such shareholder. If an enterprise is a shareholder, the shares owned by it shall include any shares which are held by another enterprise controlling, controlled by or affiliated within a group with such enterprise, or which are held by a third person for account of such enterprises."

The 5% of share capital mentioned in § 18 (1) at present corresponds to a nominal amount of DM 114 908 062 = 2 298 161 shares of DM 50 par value.

Copies of the Annual Report as well as the complete wording of the Agenda will be available at the aforementioned banks on or about April 23, 1992.

Frankfurt am Main, March 1992

The Board of Managing Directors

REPUBLIC OF TURKEY
PRIME MINISTRY
PUBLIC PARTICIPATION ADMINISTRATION
ANNOUNCEMENT

Republic of Turkey, Prime Ministry, Public Participation Administration (PPA) offers to sell all of its shares in the following companies.

COMPANY NAME	PERCENTAGE OF SHARES SUBJECT TO SALE	AMOUNT OF SHARE CAPITAL
MEYSU	20%	100,000,000 TL
GIMA	61%	1,751,751 TL

1. MEYSU is one of the largest fruit juice producers with approximately 20% domestic market share as of 1990 and GIMA is an operator of 61 outlet chain of supermarkets and department stores nationwide, employing 1,751 people as of February 1992. Further information about the companies can be obtained from PPA, from the address shown below.
2. The sale of PPA shares in the above listed companies will be effected by inviting tenders and subsequently holding sale negotiations.
3. The tender and an irrevocable unconditional bid bond for the listed amount corresponding to the related company, payable on first simple demand with a tenor of at least 6 months must be submitted to PPA no later than May 15, 1992, by 6:00 PM official Turkish time.
4. In the tender, the offered price for the shares which are subject to sale should be clearly specified.
5. The tenders should be submitted separately in closed envelopes with the following inscription for the related company "Tender for ... (the name of the company) ... CONFIDENTIAL".
6. The successful bidder shall furnish a performance bond for the amount of 6% of the agreed sale price and a letter of intent comprising the price and the terms of the sale. If the letter of intent is not submitted or if the bidder fails to sign the sale contract after the submission of the letter of intent and/or fails to provide the performance bond until the closing date to be determined by PPA, the bid bond will be called by PPA.
7. Republic of Turkey, Prime Ministry, Public Participation Administration is not subject to the State Tender Law No: 2886 and reserves the right of not selling the shares or to sell based purely on its own choice without any obligations at any time.
8. The sale of shares to persons domiciled abroad is subject to all relevant Turkish legislation.

T.C.
BAŞBAKANLIK
KAMU ORTAKLIĞI İDARESİ BAŞKANLIĞI (PPA)
Atatürk Bulvarı 163 Bakanlık 06680 ANKARA
Tel: (4) 425 21 70 - 425 21 17 Telex: 47010 Fax: (4) 425 51 95

PIONEER ELECTRONIC CORPORATION

Notice is hereby given to holders of CDRs issued by Caribbean Depositary Co., N.V. evidencing shares in the above company that the "Third quarter report 1992" of Pioneer Electronic Corporation ended December 31, 1991, may be obtained from:

N.V. Nederlandsche Administratie- en Trustkantoor
Herengracht 420
1017 BZ Amsterdam
and

The Bank of Tokyo Ltd.
established in Tokyo, Brussels,
London, Düsseldorf, Paris and
New York.

Pierson, Heiding
& Pierson N.V.
Amsterdam, March 31, 1992

C&G
Cheltenham & Gloucester
Building Society

ECU 150,000,000

Floating Rate Notes due 1995

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 2nd July, 1992, has been fixed at 10.375% per annum. The interest accruing for such three month period will be ECU 2,615.09 per ECU 100,000 Bearer Note, on 2nd July, 1992, against presentation of Coupon No. 3.



London Branch
Agent Bank

31st March, 1992

INTERNATIONAL COMPANIES AND FINANCE

S&P lowers ratings on Banque Paribas

STANDARD & Poor's, the US rating agency, has downgraded the long-term debt rating of Banque Paribas, the French commercial bank, to AA minus from AA, A-1, P-1.

S&P said it had also removed Banque Paribas from its credit-watch surveillance list, where the bank was placed on January 30 with negative implications.

"The actions are based on the two-year deterioration in loan quality of the consolidated Paribas group in the context of a longer term erosion of operating profitability," the agency said.

"The decline is most significant in Banque Paribas and its international banking subsidiaries, which as a group have increased loss provisions four-fold over the past two years."

Almost FF3.5bn (\$538.5m) in provisions were taken in 1991 by the group's Swiss subsidiary bank, Paribas Suisse, to cover problem commercial real estate loans in Geneva and significant exposures to the troubled Maxwell group, according to S&P.

The agency said it had also downgraded the rating on Banque Paribas' \$200m subordinated perpetual debt issue to A from A plus, and removed it from credit watch.

In a related action, the long-term debt ratings of Compagnie Bancaire and Compagnie Bancaire's guaranteed subsidiaries were also lowered to AA minus from AA.

S&P said it also downgraded its certificate of deposit ratings on Banque Paribas and Compagnie Bancaire to AA minus from AA, A-1, P-1.

The agency affirmed the A-1 plus ratings on the commercial paper programmes of Paribas Finance and Paribas Bank of Canada, both guaranteed by Compagnie Bancaire de Paris. Also affirmed was the A-1 plus rating on the CP programmes of Compagnie Bancaire US Finance guaranteed by Compagnie Bancaire.

About \$1.2bn of Banque Paribas debt and \$80m of Compagnie Bancaire debt is affected. The agency added that Crédit du Nord, the Paribas Group's wholly-owned retail subsidiary bank, also made large 1991 loan loss provisions.

Hewlett in \$100m equity linked deal

HEWLETT-Packard, the US computer and electronic instruments manufacturer, has issued \$100m of equity-linked notes (ELNs), becoming the first US company to raise financing via ELNs, a product that made its name last year in the Eurofranc market, writes Patrick Harverson in New York.

Société Générale, the French bank, lead-managed the issue, which has a maturity date of April 25 1995. The notes are linked to Hewlett equity to a gearing of 1.34, with 90 per cent of the investor principal guaranteed on maturity if the stock price drops more than 10 per cent.

Bankers behind the deal said Hewlett favored the ELN issue because it would not be dilutive of the company's stock. They also said interest in the paper from both European and US institutions had been good, primarily because of the scarcity of Hewlett debt – there are no convertibles or equity warrants, and only a few straight bonds currently in the market.

Foreigners join the queue for Shenzhen flotations

Simon Holberton on why investors are braving the risks on China's fastest growing stock exchange

Last November the streets of Shenzhen City, the capital of the special economic zone to the north of Hong Kong, were busier than usual.

The Shenzhen stock exchange was about to distribute application forms for subscription to 11 company flotations, then planned for 1992. More than 100,000 Chinese investors from all over the country had come to Shenzhen and camped outside the offices of financial institutions in an attempt to get in early.

Since Beijing allowed foreigners to own shares in Chinese companies, investors in Europe, North America and elsewhere have been following the lead of local investors.

They may not be camping on the kerbside but they are doing the next best thing, contacting their brokers in Hong Kong and trying to get on the list. Foreign investors are even calling journalists in Hong Kong to find out the details of the latest offerings.

Mutual funds and unit trusts targeted at the Chinese have allocated at least \$150m to buy shares in quoted companies on the Shenzhen exchange and Shanghai stock market – a figure equal to the total equity in

Chinese stocks so far issued.

Chinese companies, aware of the foreign interest and keen to exploit the tax breaks which they get from having foreign investors, have been queuing up to get their stock listed. A Chinese company located outside one of the country's special economic zones only has to pay 15 per cent tax on profits to the central government if it has foreign shareholders, compared with around 50 per cent if it remains wholly owned by the state.

In Shenzhen, Mr Wang Jian, executive director of the exchange, said he had received applications from 119 companies (both in Shenzhen and throughout China) to have their shares listed. Few realised the amount of paper work entailed in the 35 separate steps they had to take before they could have their company's shares listed, he said.

There are currently seven companies listed on the Shenzhen exchange, with a further five due for listing in the next two months and another 14 due for listing in the second half of this year – quite an acceleration compared with the 11 expected in November.

So far, four have issued "B" shares, which only foreigners

can buy. The "B" shares rank equally with "A" shares, which are for domestic investors, but they have to be paid for in US dollars and receive dividends in dollars.

Shanghai, although technically the first stock exchange to reopen in China, has been slow to develop. Eight companies have shares listed on the Shanghai exchange but only one – Shanghai Vacuum – has issued "B" shares to foreigners. Four more are in the queue to issue "B" shares.

The city was recently admonished by Mr Zhu Rongji, China's industry minister and the former mayor of Shanghai, for its slowness in developing the exchange. He criticised local bureaucrats for being short-sighted and urged them to allow more companies to issue stock.

Shenzhen has comprehensively stolen the march on Shanghai; its speed of development and the activity on its exchange has made it the market of choice for foreign investors. The four stocks which foreigners can own are trading at premiums to their issue price of between 61 per cent and 96 per cent. In contrast, Shanghai Vacuum, after



Zhu Rongji (left) and Deng Xiaoping: economic reforms are based on pragmatism and may not be irreversible

an initial burst of enthusiasm, is trading at a premium of about 4 per cent.

The attraction of the Shenzhen market is obvious, but the risks of investing in "B" shares are many. Even though China appears to be on the verge of embracing another round of economic reforms, the country's flirtation with capitalism is anything if not pragmatic. And like share prices – which can fall as well as rise – pragmatism also has a downside.

The country's most senior leader, the 87-year-old Mr Deng



Xiaoping, is an ardent supporter of the types of reforms being undertaken in Shenzhen and southern China more generally, but he is also a communist. As he told the Politburo recently, if stock markets in China did not work, then they could be closed down.

The more serious political risk is the possibility of political instability after the death of Mr Deng and the other seven octogenarians who comprise the "revolutionary" cohort of the leadership. The effect on prices could be significant if the leadership transition were to go badly.

The more immediate risks are much more mundane but no less important for the investor. There is no securities law in China; neither is there any corporate law and accounting standards are rudimentary.

tion were to go badly.

The more immediate risks are much more mundane but no less important for the investor. There is no securities law in China; neither is there any corporate law and accounting standards are rudimentary.

Indeed, the whole concept of law, as westerners may understand it, is unknown in China, where what law there is applies to those who are governed, not those who govern. This makes it potentially tricky for the foreign investor because the companies being offered to foreigners are those which are well connected politically.

However, Beijing does have a companies law on the drawing board, and its experts are looking at the whole issue of accounting and adopting international accounting standards. And Chinese companies do realise that to get western capital they have to present information in a way westerners can understand.

Equally positive is that exchange officials in Shenzhen are genuinely concerned that their market operates fairly and transparently. But with all things in China the proof of the pudding lies in the eating.

Greece privatises Eleusis shipyards

By Kerin Hope in Athens

GREECE'S state-owned Commercial Bank has agreed to sell Eleusis shipyards, the country's second largest ship repair and construction facility, to a group of London-based Greek shipowners for \$80m.

The group, led by Mr Constantine Peratikos, will pay only \$12m in cash, but will assume some of the yard's liabilities, estimated to be more than Dr60bn (\$307m), according to the bank.

Commercial Bank holds a 63 per cent stake in Eleusis shipyards, with the remainder held by other companies in the bank's holding group and the state-owned Hellenic Industrial Development Bank.

Mr Peratikos, chairman of Pegasus Ocean Services, controls a fleet of 22 vessels, most of which are Greek-registered.

The shipyard sale marks the second major disposal under the government's privatisation programme. It follows the sale last month of Heracles Cement to a joint venture led by Calcestruzzi of Italy, part of the Ferruzzi group, for \$124m.

Despite having a strong order book, which included building landing craft for the Greek navy and heavy cranes for Salonica Port Authority in northern Greece, Eleusis shipyards posted operating losses of Dr6.4bn (\$32.8m) on turnover of Dr10.8bn in 1990.

However, Commercial Bank wrote off a large proportion of accumulated losses at the end of 1991, with government approval, in preparation for selling the yard.

Greece undertook to sell or close down its four shipyards, all state-owned, by mid-1992 to comply with European Community regulations on ending subsidies to the shipbuilding industry.

Eleusis is the first yard to be sold. Another, Halkis shipyards, has been leased to an Athens-based Greek shipowner, while liquidation procedures are underway at the Neorion and Scaramanga yards.

Brussels reverses view on P&G-Finap nappy venture

By David Buchanan in Brussels

PROCTER & Gamble of the US and Finap of Italy face further problems in their nappy-making joint ventures in southern Europe after the European Commission yesterday reversed its position that the enterprises would not cause undue concentration in the nappy market.

The two companies modified their plans last autumn at Brussels' behest, after which the Commission said it intended to give its approval to the joint ventures, and invited public comment.

Such invitations usually stir little reaction. But in this case it brought complaints from several governments, as well as from no fewer than 10 of the two companies' competitors in the European nappy market.

Using more up-to-date figures on P&G's recent market share, the Commission has concluded that the joint ventures in Italy, Spain and Portu-

gal would give the two companies more than half the EC nappy market.

The Commission said it was hard to see how Brussels' new concerns could be satisfied without some divestment.

P&G said it was "very ready" to negotiate further with the Commission. However, the company, which makes Pampers, noted that nappies were "a very volatile market". There was very little brand loyalty, it said, because new mothers were moving into the market all the time. "Today's share may be quite different tomorrow," P&G claimed.

After receiving what they thought was final approval from Brussels in January, P&G and Finap put the final touches to the management of their southern European joint ventures.

The Commission's fresh concerns do not affect other products, such as adult incontinence and female hygiene products.

Li Ka-shing to leave HK bank post

By Simon Holberton in Hong Kong

MR LI KA-SHING, Hong Kong's richest man, is to step down from the deputy chairmanship of HSBC Holdings, the owner of Hongkong and Shanghai Bank.

Mr Li has been a member of Hongkong Bank's board since 1980 and its non-executive deputy chairman since 1985.

The bank said he was retiring to devote more time to his other business and personal interests.

It said that Mr Li had wanted to step down for the past two years, but it prevailed upon him to stay. The bank said his advice had been greatly valued.

Mr Li is one of the bank's biggest shareholders. He owns nearly 1 per cent of the bank – the limit it places on individual shareholdings – and stands to be a large shareholder of the bank that will emerge from the merger of Hongkong Bank with Midland Bank of the UK.

Mr David Gledhill, the retiring chairman of the Swire group, will also relinquish his Hongkong Bank board seat. The bank and Swire have a very close relationship, and it would be no surprise if Mr Peter Stutch, chairman designate of Swire, were to be appointed to the bank's board.

Also to step down from the bank's board is Mr F.E. Frame, an executive director since 1985, but he will continue as an adviser to the board.

Husky Oil, the Canadian oil group controlled by Mr Li Ka-shing, is asking its government partners to put up another C\$140m (US\$117.5m) to get its US\$1.5bn heavy-oil upgrader on stream in November, Robert Gibbons reports from Montreal.

Husky, with a 27 per cent stake in the upgrader on the border of Alberta and Saskatchewan, would put up an extra C\$50m, said Mr Arthur Price, Husky president.

The Alberta government, with a 24 per cent stake, and the federal government, with 32 per cent, have given the company the nod, but Saskatchewan, with 17 per cent, is questioning the project's viability.

Mitsubishi Kasei cuts profit forecast

By Robert Thomson in Tokyo

MITSUBISHI KASEI, Japan's largest chemical company, yesterday indicated that its pre-tax profit for the year just ended could be around ¥13bn (996.8m), down from ¥28.5bn (2,161.1m) a year earlier, as demand for petrochemical products has fallen in tandem with the slowing economy.

The company admitted it would be "almost impossible" to reach a previously-forecast profit of ¥17bn.

Mitsubishi Kasei said falling demand for chemicals and continuing high costs in the distribution sector, which is still affected by a labour shortage, had lowered profits sharply.

However, it said investment in plant and equipment was likely to remain unchanged this year, while research and development spending would rise from ¥41bn last year to ¥42bn in the current period.

Sita sets up services company

By Michio Nakamoto

AN international air transport consortium is launching a commercial telecommunications services company to provide value-added network services to industries ranging from leisure to financial services.

The Societe Internationale de Telecommunications Aeronautiques (Sita), a non-profit-making organisation of 460 member companies from the airline, aerospace and related industries, is investing about \$20m over the next four to five years in Sictor, a wholly owned UK-based subsidiary.

Sictor, which will provide services, such as reservation systems for hotels and sales systems for multinationals, aims for revenues of \$100m by 1993. It has already won orders worth \$40m from 250 compa-

PHILIPS, the Dutch electronics group, is launching Compact Disc Interactive (CD-I), a multi-media home entertainment system, in the UK earlier than planned in an effort to speed up the product's penetration of international markets.

CD-I combines audio, video, text, animation and graphics on a compact disc. It is one of three products which Philips is counting on to boost its depressed consumer electronics business. The other two are digital compact disc, scheduled to be launched in the autumn and high definition TV.

The Dutch group has invested a significant amount in developing CD-I and the software for the system which allows the user to manipulate the material on the television screen.

The difficulty in marketing CD-I is that, unlike compact discs, which have easily recognisable advantages, CD-I is an entirely new concept so that Philips needs to educate consumers about its merits. The UK launch has been brought forward from September when it was initially scheduled to be introduced into EC markets.

Services including Hilton International and Budget Rent A Car, value-added network services are the fastest growing sector of Europe's information services industry with revenues forecast to increase from \$3.6bn last year to over \$10bn in 1995, according to BIS Strategic Decisions, the market research company.

This announcement appears as a matter of record only.

NEW ISSUE

2nd April, 1992

ONWARD
ONWARD KASHIYAMA CO., LTD.

U.S.\$200,000,000

3 3/4 per cent. Bonds 1996

with

Warrants

to subscribe for shares of common stock of

Onward Kashiya Co., Ltd.

ISSUE PRICE 100 PER CENT.

Nomura International

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Salomon Brothers International Limited

Sanyo International Limited

S.G. Warburg Securities

Sumitomo Finance International Limited

Bank of Tokyo Capital Markets Group

Barclays de Zoete Wedd Limited

Robert Fleming & Co. Limited

IBJ International Limited

Kleinwort Benson Limited

Mitsubishi Finance International plc

N M Rothschild & Sons Limited

Sanwa International plc

Swiss Bank Corporation

Yamaichi International (Europe) Limited



VOLKSWAGEN AG
Wolfsburg

Invalidation of Ordinary Shares of
Volkswagen Aktiengesellschaft, Wolfsburg,
in accordance with §73 Stock Corporation Act
— stock index number 766 400 —

Consequent upon a resolution of the Ordinary Annual Meeting of Stockholders of 4th July 1985 our Company changed its name from "Volkswagenwerk Aktiengesellschaft" to "Volkswagen Aktiengesellschaft"; this resolution was entered in the register of companies at the Wolfsburg District Court on 10th September 1985.

With the threefold publication of an announcement in the Bundesanzeiger No. 167 of 8th September 1991, No. 198 of 5th October 1991 and No. 208 of 8th November 1991 we called upon the holders of our ordinary shares to present their ordinary share certificates to one of the banks listed in the above-mentioned announcements for exchange for new certificates bearing the company name "Volkswagen Aktiengesellschaft" by 17th December 1991 inclusive, indicating that failure to do so would result in invalidation of the share certificates.

The ordinary share certificates with renewal coupon still in circulation bearing the company name "Volkswagenwerk Aktiengesellschaft" are hereby declared invalid. The approval required by §73 Stock Corporation Act was granted by the responsible District Court, Wolfsburg, on 9th April 1992.

The ordinary share certificates bearing the company name "Volkswagen Aktiengesellschaft" which have not been collected and which are intended to replace the ordinary share certificates which have been declared invalid will be deposited by us for the holders at the Wolfsburg District Court, and the right of repossession will be relinquished.

Wolfsburg, March 1992

The Board of Management



Mortgage Funding
Corporation No 3 Plc
£120,000,000 Class C-1
\$14,200,000 Class C-2
Mortgage backed floating
rate notes October 2023
For the interest period 1 April,
1992 to 1 July, 1992 the Class
C-1 notes will bear interest at
11.41719% per annum. Interest
payable on 1 July, 1992 will
amount to \$2,838.70 per
\$100,000 note. The Class C-2
notes will bear interest at
11.51719% per annum. Interest
payable on 1 July, 1992 will
amount to \$410,156.64 per
\$14,200,000 Principal Amount.
Agent: Morgan Guaranty
Trust Company
JPMorgan

INTERNATIONAL COMPANIES AND FINANCE

Indonesian gas find boosts shares of O&Y offshoot

By Bernard Simon in Toronto

SPECULATION over a natural gas find in Indonesia has pushed up the market value of one of the companies for which Olympia & York, the debt-burdened property developer, is seeking a buyer.

The share price of Gulf Canada Resources, a large oil and gas producer, that is 75 per cent owned by O&Y, has risen by more than 80 per cent in the past week.

This is attributed mainly to Gulf's announcement last Monday that its wholly-owned subsidiary, Asamera Oil, has discovered what it described as a gas zone "of significant thickness" on the Indonesian island of Sumatra.

The jump in the share price has lifted Gulf's market capitalisation in the past week from C\$724m (US\$606.4m) to more than C\$1.5bn. Gulf's shares stood at C\$3.35 in early trading on the Toronto stock exchange yesterday. Uncertainty about O&Y's financial condition pushed them as low as C\$4.50 last month.

Gulf cautioned that initial data from its exploratory well has yet to be confirmed by more detailed tests. However, the preliminary findings have prompted speculation that the gas field could be as big as the nearby Arun field, which is a large supplier of liquefied natural gas to Japan.

Asamera has a 50 per cent equity interest in the area being drilled. The remainder is owned by Aceh Gas and Oil of Japan. Asamera's discovery has also pushed up the share price of Enor, another Calgary oil and gas producer, which has a 22.5 per cent interest in an exploration block in the Malacca Strait of Sumatra.

O&Y, which is owned by Canada's Reichmann family, has been seeking a buyer for Gulf as part of efforts to raise cash to service its debt. But Mr Bill Magee, analyst at Research Capital in Toronto, said yesterday that neither buyers nor sellers are likely to commit themselves until there is greater certainty about the value of the Sumatra gas discovery.

Another O&Y subsidiary, GW Utilities, said yesterday that it has bought for a discounted price the proceeds of a special dividend which it is due to pay on April 14 to another company controlled by the Reichmann family. The deal enables the Reichmanns to gain immediate access to the special dividend, which it is using to meet overdue repayments on two O&Y commercial paper programmes.

The Reichmanns are entitled to special dividends from GWU of C\$158m on April 14, but will immediately receive C\$147m.

O&Y said yesterday that it was immediately using the proceeds of the GWU special dividend to help retire one of its commercial paper programmes. The company said it was redeeming about C\$78m in securities issued by O&Y Commercial Paper II. The remainder of the funds would be used to help retire C\$153m in paper which had still to mature.

A run on O&Y's commercial paper last month contributed to the liquidity crisis which forced it to restructure its debt. Outstanding obligations in a second CP programme are expected to be met from the sale of Exchange Tower, a Toronto office building. The company expected this transaction to be concluded within the next few days.

RBC plans trust expansion

By Robert Gibbens

THE Royal Bank of Canada plans to become a leading force in the country's trust services business through its newly-acquired International Trust, which is to be renamed Royal Bank of Canada Trust.

The company has C\$4bn (\$3.3bn) assets under administration, and the bank may

make another acquisition before long. It will offer fiduciary services to wealthy individuals across Canada and also specialised services to corporations.

Under Canada's new federal financial institutions regime, banks can operate trust companies. Two other Big Six chartered banks also plan trust affiliates.

Consortium bids \$400m for LTV missile unit

By Alan Friedman in New York

THOMSON-CSF, the French state-controlled defence company, has joined forces with two US partners to bid \$400m for the aerospace and missile businesses of LTV, the US steel and defence company under bankruptcy protection for the past five years.

The Thomson-CSF bid, which features Hughes Aircraft and the Carlyle Group as partners, tops a \$355m bid LTV agreed in February with Vought, a venture formed by US defence groups Lockheed and Martin Marietta.

The French company and Hughes are offering \$280m in cash for LTV's missile business, while the Carlyle Group, an investment firm run by Mr Frank Carlini, the former secretary of defence, is offering \$90m in cash and \$30m in preferred stock for LTV's aircraft division.

As LTV is operating under Chapter 11 bankruptcy proceedings, any bid for its assets would need the approval of the judge following its case.

Thomson and its partners claimed that their bid would not create any anti-trust complications. Following the acquisition, each division would be separately capitalised and operated independently, Thomson-CSF said.

LTV's missiles division would remain an American company, it was claimed, and would observe US Defence Department restrictions to prevent the unauthorised disclosure of classified information or transfer of sensitive technology.

Thomson-CSF said compliance with US laws and regulations would be ensured by a Special Security Agreement (SSA) written to US Defence Department specifications.

Security compliance would be overseen by an eight-member board of directors, all but one of whom would be US citizens. "LTV/MD would stay an American company. The management, employees and suppliers would be retained," said Mr Alan Gomez, the Thomson-CSF chairman. He said LTV and Thomson-CSF have long-standing ties, notably joint work on the VT1 missile.

White raven turns rival carmakers green

Andrew Fisher looks at the ways BMW is planning to stay ahead of the competition

BMW turns other car manufacturers green with envy. The Munich-based group's cars are sleek, sporty, and popular, its sales and profits keep on rising, and it looks assured of a smooth succession when Mr Eberhard von Kohnheim steps aside as chief executive after a period in the top job unequalled in the world motor industry.

He gave no hints as to when that would be when speaking at the annual press conference this week. But, at the age of 63, the time cannot be too far off when the man who has steered BMW into a period of steadily rising profits decides to retire.

The obvious successor is Mr Wolfgang Reitzle, the development director who recently turned down an offer from the family owners of Porsche, the beleaguered maker of high-priced sports cars, to become its chief executive.

The snappily dressed Mr Reitzle, 29 years younger than Mr von Kohnheim, shows every sign of wanting to get more closely to grips with the problems ahead for the German motor industry. "We have to change the structure of our company. The conventional cost-cutting approach will not be enough to enable us to face the challenges of the next 10 years."

At first sight, BMW would seem to face far fewer problems than other car companies.

It has suffered less than, say, Volkswagen, from the growing difference between production costs in Germany and elsewhere. Last year, BMW's turnover was 10 per cent higher at DM29.8bn (\$18bn) and net profits up by 12.5 per cent to DM783m.

These results set BMW apart from much of the rest of the world motor industry - at least in Europe and the US - which is struggling to ward off the impact of recession and to combat stiffer competition, notably from Japan.

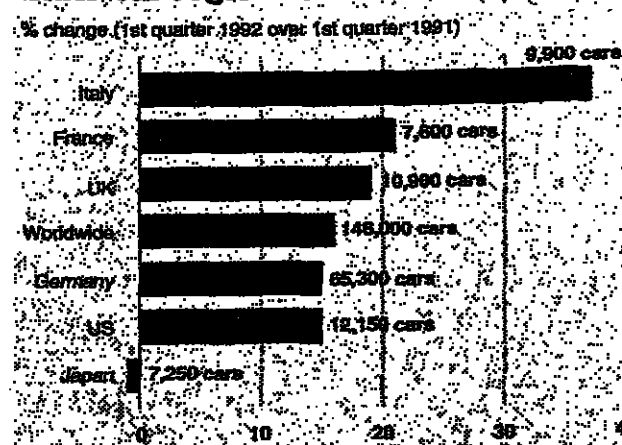
"We are almost like a white raven," quips Mr Volker Doppelgänger, the finance director. "We don't mind if there are several white ravens, but we want to be one of them."

Staying up with the industry's elite will be expensive. Since 1988, BMW's turnover has risen by 21 per cent but development spending has moved up by 35 per cent.

"BMW is healthy and BMW is strong," Mr Doppelgänger asserts. Cash-flow last year was DM2.8bn compared with capital spending of DM2.1bn and its securities and cash holdings exceed DM4bn.

It made a flying start to 1992 with a 24 per cent jump in turnover. But the comparison was with a period during which it was gearing up production of the new 3-series, accounting for nearly 60 per

BMW car registrations



cent of production. Even so, it expects results to improve further this year.

BMW will have to use its financial and innovative strength with increasing agility to keep matching the competition. Germany's labour costs are some of the highest in the world, and wage claims this year have approached 10 per cent. It is against this background that the gradual reduction of labour and the consideration of sites for a possible US plant must be seen.

As outlined by Mr Reitzle, BMW's strategy is to go for market niches and segments within those niches. Its touring (estate) version of the 3-series

is an example of this, as are its convertibles.

"If we streamline the whole company in all its activities so that we can develop, produce, and sell more efficiently than others in certain market segments and with low volumes and lots of variations, then we shall be in a unique position," he says.

At the end of this year, BMW will bring out the M3, the high-performance sports version of the 3-series. By building on the company's strengths of design, image, and technology, Mr Reitzle hopes BMW will be able in the future to charge a price premium of some 15 per cent over comparable models. This

is much less than Mercedes-Benz charges for some of its cars.

BMW has long passed the critical size needed to finance such an approach, he reckons. With modern and flexible manufacturing technology, much shorter runs of cars and components are possible without operating at a loss. "We can make 30 or 40 12-cylinder engines a day and earn money". Last year, BMW made 563,000 cars, a rise of 6.5 per cent; this year will see a further increase. Ten years ago, it produced 378,000.

BMW, in which most of the shares are owned by the wealthy Quandt family, could well have a rougher ride ahead of it than in recent years. The US tax on luxury goods above \$30,000 certainly hurts sales of its more expensive models in the US, and competition from Japanese cars such as the Lexus and Infiniti will hot up. Currency swings can hurt sales.

Moreover, there are Germany's high costs, a problem for all of the country's producers. More and more of the components it buys, whether or not from German companies, are made abroad. The fuel injection valves BMW buys from Robert Bosch are actually made in South Carolina. That just happens to be the car-maker has been looking at in the US.

Whirlpool makes further moves in eastern Europe

By Andrew Baxter

WHIRLPOOL, the largest US white goods producer, is extending its expansion into eastern Europe by creating a wholly-owned Hungarian subsidiary to sell and service its products under the Bauknecht, Philips and Whirlpool brand names.

The move comes four months after Whirlpool made its first significant foray into eastern Europe by forming a joint company in Czechoslovakia to manufacture and sell washing machines and market other domestic appliances.

Whirlpool, through its Whirlpool International unit, is keen to use its European presence, acquired through the acquisition of the former Philips domestic appliances businesses, to develop more

markets in eastern Europe. It also plans to manufacture for export to neighbouring countries and the former Soviet Union - at least in the case of the Czech venture, with the local Tatramat company.

The Hungarian subsidiary, Whirlpool Hungarian Trading, will launch early this month an advertising campaign to promote Whirlpool as a global brand name, featuring commercials drawn from the US company's pan-European campaign.

Mr William Marohn, president and chief executive of Whirlpool International, said Hungary's recent Association Agreement with the European Community "reinforces our confidence in Hungary's future and our opportunity to address the rising expectations of Hungarian consumers".

BCE appoints Red Wilson as president

By Robert Gibbens in Montreal

LYNTON "Red" Wilson, 52, is stepping up to president and chief executive officer of BCE, the telecommunications holding company that owns Bell Canada and controls Northern Telecom and other companies.

Mr Wilson moved to BCE late in 1990 as chief operating officer from the Bank of Nova Scotia, where he had been vice-chairman. Before that he was chairman of Redpath Industries, controlled by Tute & Lyle. He is a former Ontario deputy minister of industry.

Raymond Cyr, 55, will remain chairman of BCE and develop the telecommunications business. Mr Cyr has overseen the restructuring of BCE over the past five years.

Cincinnati Milacron links with German metal group

By Andrew Baxter

CINCINNATI MILACRON, the US machine tool-maker, is beefing up its sales effort in Germany through a tie-up with Stuttgart-based Hahn & Kolb, one of the biggest sales and service companies for the German metalworking industry.

The two companies have signed a sales representation agreement described by Milacron this week as one of the most significant in its history. Under the deal, Hahn & Kolb will be responsible for the sales of Milacron's Sabre range of low-cost machining centres, which are designed and built at the US company's Birmingham plant in the UK.

The Sabre range has been one of the most successful products of Milacron's Wolfpack programme for concentrating manufacturing, reducing product development times and increasing responsiveness to clients' needs to enable it to recapture markets for standard products lost to the Japanese.

The German machine tool market is currently suffering from weak demand, along with the rest of Europe, but is generally reckoned to have a lot of long-term growth potential because of reunification. However, for foreign machine tool-builders a comprehensive sales network is essential to help overcome the German preference for buying domestic equipment.

Mr Malcolm Scarlett, Milacron's UK sales director, said: "We are excited and confident that this agreement will lead to a significant increase in Sabre sales in Germany."

Snecma slips to FF68m loss as orders fall

By William Dawkins in Paris

SNECMA, the French state-owned maker of aircraft engines, yesterday provided the latest evidence of the aerospace industry's difficulties by announcing a loss for 1991 and a 30 per cent decline in new orders.

The group swung into a consolidated FF68m (\$12m) net loss last year, from profits of FF208m in 1990, on a sales increase of 1.7 per cent over

the same period to FF23.9bn.

Mr Louis Gallois, the chairman, predicted two months ago that Snecma had roughly broken even in 1991.

Snecma attributed the loss to difficulties at three subsidiaries; Messier-Bugatti, which makes aircraft brakes and landing gear; the Sochata maintenance business; and FN Moteurs, its Belgian engine unit.

"All three companies were particularly affected by the

recessionary economy in 1991 and have implemented plans to adapt their industrial and human resources to changing market conditions," said Snecma.

The parent company, which embraces most of the engine-making business, booked FF7.3bn of new orders last year, down from FF10.3bn.

However, all the commercial engine programmes in which it competes, including the CFM-56, made with General

Electric of the US, had increased their market share in a "fiercely competitive market".

Net income at the parent company rose from FF77m to FF82m, after a FF408m extraordinary charge for job losses and depreciation of the value of Snecma stakes in some subsidiaries.

The group shed 300 jobs last year and has submitted plans to its workforce for losing another 500.



NET INCOME OF 2.5 BILLION FRENCH FRANCS

The Board of Directors of Compagnie de Saint-Gobain met on March 26, 1992 and approved the consolidated financial statements of the Group for 1991. The key final consolidated figures are as follows:

In millions of French Francs	1991	1990
Sales	75,065	69,076
Operating income	6,900	8,022
Income before tax and before results on sales of non-current assets	4,726	6,457
Net income before minority interests	2,892	3,942
Net income	2,509	3,359
Net income excluding results from the sale of non-current assets	2,549	3,458
Sources from operations (cash flow)	8,199	8,294
Capital expenditure on plant and equipment	5,700	5,980
Total investments	7,930	19,447
Total shareholders' equity	36,701	32,704
Net indebtedness	20,463	19,389
Employees (as at December 31)	104,653	104,987

The Group's sales increased by 8.7%, with Norton and Solagis being consolidated for the full year and with the consolidation of newly acquired companies in 1991: Glas-Torgau, Covina, Oberland. They decreased by 1.6% on a comparable basis in French Francs. They are split: France, domestic market 26%, exports from France 11%, other European countries 40%, other countries 23%.

Operating income, down 14%, is stated after the depreciation charge of FF 1,539 million (+20%) and a charge for provisions of FF 688 million (-3%). Income before tax and before results on sales of non-current assets of consolidated companies is stated after net interest expense of FF 2,226 million, which rose by FF 772 million because of the impact of the new acquisitions on indebtedness, and after reorganisation and other charges of FF 474 million (+17%) and dividend income of FF 526 million (FF 294 million in 1990).

Net income before minority interests includes a loss arising from the sale of non-current assets of FF 34 million, much lower than in 1990 (FF 165 million); the loss incurred on the disposal of the German subsidiaries manufacturing cast parts for the automobile industry is partly compensated by the gains arising from the sale of treasury stock and the sale of a holding company. This caption is stated after provision for income taxes of FF 1,532 million (-31%) and a charge of FF 312 million (+54%) for the amortization of goodwill.

After deduction of FF 373 million (-36%) for minority interests in the Group's subsidiaries net income amounts to FF 2,509 million, down 25% when compared to 1990. Excluding results on sales of non-current assets, it amounts to FF 2,549 million, compared to FF 3,458 million in 1990.

Earnings per share based on the number of shares issued at December 31, 1991 (67,698,425 shares) are FF 36.95 against FF 51.50 at December 31, 1990 (65,226,625 shares). Excluding results on sales of non-current assets, they are FF 37.54 per share, against FF 53 in 1990.

Cash flow of FF 8,199 million, down 2.3%, largely covers both capital expenditure of FF 5,700 million (-4.7%) and new financial investments of FF 2,230 million (FF 13,467 million in 1990).

Net indebtedness rose by FF 1,074 million and represents 56% of shareholders' equity, against 59% at the end of 1990.

Employees are slightly down in spite of the incorporation of the newly acquired companies Glas-Torgau, Covina and Oberland.

The Board of Directors has also approved the statutory accounts of Compagnie de Saint-Gobain, the parent company (holding) of the Group. These accounts show a profit of FF 1,344 million, against FF 2,260 million in 1990.

Accordingly, it will be proposed to the Annual General Meeting of Shareholders of Compagnie de Saint-Gobain, which will be convened for June 11, 1992, dividends of FF 984.5 million, against FF 946 million last year. The dividend per share would therefore be FF 14.50. A tax credit of FF 7.25 per share should be added, giving a gross dividend of FF 21.75 per share. As last year, it will be proposed to offer shareholders the possibility of opting for the payment of the dividend by way of shares.

ABN-AMRO

ABN AMRO Holding N.V., the seventh largest banking group in Europe, announces the establishment of its Sponsored American Depositary Receipt (ADR) facility.

The ABN AMRO sponsored ADRs are issued on the basis of one American Depositary Share representing one ordinary share of ABN AMRO Holding N.V.

J.P. Morgan, the world's leading ADR firm, acts as depositary bank through its subsidiary, Morgan Guaranty Trust Company.

JPMorgan

INTERNATIONAL CAPITAL MARKETS

Tokyo takes fright as economic message comes home

By Patrick Harrington in New York and Richard Waters in London

THE Japanese government bond market caught a fright yesterday. The tumbling Tokyo stock market and a weakening yen finally brought home the

GOVERNMENT BONDS

message the market had been struggling to digest the day before: that this week's fiscal package and cut in the official discount rate are unlikely to make much difference to the worsening Japanese economy.

The result was a heavy sell-off in the government bond market in the afternoon as rumours of heavy selling sent waves of panic through the market. By the close, the market had recovered some of the lost ground, but was still looking badly battered, with bonds at yields around their highest for the year so far.

"There's not a lot of news - there's just rumour and panic," one trader said. "The market is in a state of confusion and shock."

The benchmark bond 129

tumbled during the day, with the yield jumping sharply from 5.42 per cent at the opening to 5.71 per cent at one stage as panic set in. A later recovery brought it back to close around 5.5 per cent, though the price continued to slide during the London trading day, with the yield rising to 5.58 per cent.

The gloom over the yen and the state of the stock market suggest further falls are in store. Mr Neil McKinnon, an economist with Yamaichi in London, said yields were likely to rise to 6 per cent by the summer, while further interest rate cuts to support the equity market would take the official discount rate down to 3 per cent.

The French government bond market got what it wanted yesterday - and promptly reacted with a sharp drop in selling. Mrs Edith Cresson's resignation as prime minister, and her replacement by Mr Pierre Bérégovoy, were just what traders had been hoping for.

The French bond futures contract closed down 0.08 at 107.26. Cash bonds were left once more yielding around 7.2 basis points more than their German equivalents, in part

due to a quiet day for the bund market. (While the German cash market remained steady, trading in a narrow range, bund futures gained on the day, closing up at 87.21 after opening at 87.06.)

Where the French market goes from here depends in part on who will succeed Mr Bérégovoy at the finance ministry. Although there is a feeling in some quarters that the prime minister will double up as finance minister, a more expected move would be that of Mr Jacques de Larosière, the governor of the Bank of France. That would be a popular choice with the market.

FOREIGN investors have rediscovered some appetite for Italian bonds this week. The latest auction of 10-year bonds on Tuesday saw strong foreign buying, according to several bankers - in part to square short positions in the futures market.

With political uncertainty over this weekend's elections, and little cheer on the economic front, Italian government bonds have lost ground in the last fortnight. They had tightened by around 0.5 per cent point against bunds during the year so far, reach-

ing a spread of 2.9 per cent, before falling again to 3.2 per cent. This week's buying interest and a relaxed monetary stance yesterday, have helped to bring back a firmer tone to the market.

US TREASURY prices fell slightly at both ends of the yield curve yesterday morning as traders and investors continued to tread gently ahead of today's important employment data for March.

By late morning the benchmark 30-year government bond was down 1/4 at 101 1/4, yielding 7.903 per cent. The short end was also weaker near the half-way mark, with the two-year note down 1/4 at 100 1/4, yielding 5.81 per cent.

The only economic news of the day - the report that initial jobless claims rose 9,000 in the third week last month - had no effect on sentiment because the market had its eyes firmly fixed on today's jobs report. The forecast is for a rise in non-farm payrolls of between 45,000 and 70,000, which would represent a continuation of the trend for a modest improvement in labour conditions.

After losing its nerve on

BENCHMARK GOVERNMENT BONDS

	Coupon	Red Date	Price	Change	Yield	Week Ago	Month Ago
AUSTRALIA	10.000	10/02	100.5616	-	5.91	5.98	10.06
BELGIUM	8.000	08/01	100.7000	-	8.88	8.80	8.85
CANADA	8.500	04/02	97.7500	+0.100	8.84	8.88	8.57
DENMARK	8.000	11/00	100.3700	-0.080	8.82	8.83	8.58
FRANCE	8.500	02/97	96.1444	+0.028	8.97	8.97	8.89
FRANCE	8.500	11/02	96.4500	+0.030	8.71	8.65	8.44
GERMANY	8.000	01/02	99.5500	+0.030	8.01	8.02	7.82
ITALY	12.000	02/02	97.7000	+0.050	12.91	12.95	12.14
JAPAN	No 119	4.000	96.3725	-0.288	8.71	8.58	8.78
JAPAN	No 129	6.400	96.0200	-0.288	8.71	8.58	8.78
NETHERLANDS	8.250	02/02	98.9800	+0.030	8.40	8.40	8.21
SPAIN	11.300	01/02	101.8000	-0.380	11.00	10.92	10.68
UK GILT	10.000	11/98	96.25	+0.252	10.33	10.03	8.45
UK GILT	9.750	09/02	96.16	+0.432	9.88	9.80	8.33
UK GILT	9.000	10/02	94.06	+0.722	9.71	9.60	9.17
US TREASURY	7.500	11/01	100.11	-0.022	7.45	7.45	7.45
US TREASURY	8.000	11/21	101.01	-0.022	7.91	7.97	7.98

London closing. *New York morning session. †Gross (including withholding tax at 12.5 per cent payable by non-residents). ‡Technical Data/ATLAS Price Sources. Prices: US, UK in 32nds, others in decimal.

Wednesday over fears of an imminent change of government, the UK government bond market yesterday regained some of its composure. Traders gathered enough confidence to mark bond prices up slightly on the day. The benchmark 9 per cent maturing in 2011 gained nearly 1/4 point on the day, closing up at 94 1/4, a yield of 9.88 per cent.

THE UK government bond market was the worst perform-

Options market in bid to expand retail business

By Tracy Corrigan

EFFORTS to revive trading of individual UK stock options following the merger of the London International Financial Futures Exchange (LIFFE) and the London Traded Options Market (LTOM) will centre on attracting more retail business to the market.

"We have never had the heart and soul - or the portfolio, or the cheque book - of the private client," said Mr Geoffrey Chamberlain, former chairman of LTOM, speaking yesterday at a seminar on the future of the equity options market, organised by Futures and Options World.

"There cannot be a successful stock options market without private client business. We should not be afraid of using the word speculation to apply to a certain part of the market."

The business plan for equity options being prepared by LIFFE will focus on educating retail investors, according to Mr Michael Jenkins, chief executive of the merged exchange. One reason for their desertion from the market - apart from the crash of 1987 - was that many banks and brokers became increasingly disinterested in serving retail clients.

But the focus on retail participation was disputed by some market participants, who pointed to the broad trend away from retail investment towards collective investment schemes. "You need a bull market to attract retail investors," said one.

Nevertheless, the bid to attract retail business is already under way elsewhere. Five US exchanges have agreed to commit \$2m annually for the next three years in an effort to rejuvenate equity options trading. Traditionally high, the level of US participation has been slipping in the past few years. The money will be spent on television and print advertising and a system of seminars, according to Mr David Hall of the Chicago Board Options Exchange.

Among the barriers to a suc-

cessful market identified, traders and fund managers were particularly concerned by the lack of transparency in the underlying stock market. Currently, there is a 90 minute deadline for marketmakers to report large trades. This is to be extended this year to 24 hours. As a result, marketmakers in equity options will suffer from the lack of transparency.



Geoffrey Chamberlain, former chairman of LTOM, which will in turn have some impact on the potential liquidity of the equity options market.

In a questionnaire completed by fund managers and traders attending the conference, poor liquidity was cited as the main reason for not using the market, followed by lack of support from trustees and wide dealing spreads. "Fear of getting it wrong" was ranked lowest.

One advantage of the merger is already being demonstrated. According to figures released by the London Clearing House, which clears all products traded on the merged market, the total amount of margin for equity options halved during the first week's trading from £220m to £100m. The clearing house attributed the swing to the introduction of SPAN, LIFFE's portfolio-based method of margining, for equity options and to the change to a principal-to-principal clearing system, which allows members to pay margin net rather than gross.

CBOT insurance futures gain CFTC approval

By Barbara Durr in Chicago

THE first two of a series of new insurance futures contracts developed by Chicago Board of Trade have received regulatory approval from the Commodity Futures Trading Commission.

The CFTC has agreed to futures on homeowners' (property/casualty) insurance and health insurance.

CBOT will launch its homeowners' insurance futures on September 25 following the start of a homeowners' insurance pool index on June 15. The futures will be based on a pool index reflecting gross profitability claims versus premiums of a pool of at least 100,000 homeowners' insurance policies.

The exchange plans to begin publishing a health insurance pool index later this year.

Volatility brings new issues almost to a halt

By Simon London

THE pace of new issue activity in the international bond market slowed almost to a stop yesterday against a background of volatility in the Japanese and many European government bond markets.

Government bond market statistics due to be released today could give a firmer indication of the future

INTERNATIONAL BONDS

direction of US interest rates. Uncertainty over the prospects for the US Treasury bond market has also discouraged investors from committing funds to the primary Eurobond market.

Norway's \$1bn five-year issue, launched on Tuesday to yield 25 basis points more than US Treasury bonds, had opened yesterday to a yield

spread of around 28 basis points.

Syndicate officials said a fall in US Treasury bond yields since the deal was launched had contributed to the widening yield spread, although some of the paper remained on the books of underwriters.

Elsewhere, new issue activity was restricted to specialist equity-linked issues. Jardine Strategic Holdings, the Hong Kong quoted holding company for the Jardine agriculture to banking interests, launched a \$200m issue of undated convertible preference shares.

The issue, led managed by Jardine Fleming, pays a fixed dividend of 7.5 per cent and will be convertible into ordinary shares at a 15 to 18 per cent premium to the share price when the deal is priced next week.

Unlike most convertible bonds, the preference shares do not have a redemption date,

although the paper can be bought back - or called - by the company after five years. However, if the call is not exercised, the only exit for investors is via conversion into ordinary shares.

The ordinary shares currently yield 3.9 per cent on the Hong Kong Stock Exchange. Participants in the transaction said the paper appealed to equity investors keen to pick up a high cash yield. Many of

the buyers were continental European and US equity fund managers with no specialist interest in the Far East. The scope of JSH's interest make its shares an easy route to exposure to many Asian markets.

SASIB, the Italian industrial group, priced its unusual 1.65bn five-year convertible issue launched on Monday via Lehman Brothers International.

The paper carries a coupon

of 9 1/4 per cent and converts into SASIB savings shares at 15,100, a small 3 per cent premium over yesterday's share price.

Like the Jardine Strategic issue, the bonds were seen as a high-yielding proxy for equity investment. SASIB's savings shares currently yield 5 per cent. The paper is mandatorily convertible into equity after five years.

NEW INTERNATIONAL BOND ISSUES

Amount in US \$ millions. Coupon % Price Maturity Fees Book runner

Jardine Strategic (b) 200 7.5 (b) 3.25/2 Jardine Strategic

D-MARKS FH (d) 200 8.375 101.625 1999 2.25/1.5 Commerzbank

SWISS FRANCES City of Montreal (d) 100 7.25 102 2002 Wirtz & Privatbank

LINE Saseb Ind. (d) 65bn 9.25 100 1997 (d) Lehman Bros. Intl.

**Private placement. †Convertible. ‡With equity warrants. §Floating rate note. ¶Fixed term. (b) Non-callable. (d) An issue of undated convertible preference shares, paying a fixed dividend of 7.5%. Each \$800 share launched at a price of \$1,000. Non-callable for first five years. (d) Full name of borrower. Financial institutions for industry or Handover. Non-callable. (d) Deal issued 30/03/92 and priced 02/04/92. Mandatory conversion at maturity. Fees indicated.

MARKET STATISTICS

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	37	23	20
Other Fixed Interest	4	5	8
Commercial, Industrial, Financial & Property	203	325	941
Oil & Gas	80	168	547
Plantations	11	21	55
Minerals	0	0	0
Others	38	52	58
Totals	382	646	1,719

EQUITIES

Index Price % Change

100 F.P. 548.47 0.1

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LONDON TRADED OPTIONS

Options on UK Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on US Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Euro Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Japanese Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Australian Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Canadian Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on New Zealand Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on South African Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Hong Kong Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Indian Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Pakistani Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Bangladeshi Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Sri Lankan Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Nepalese Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Bhutanese Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Maldivian Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Brunei Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 12, 19, 26 July, 2, 9, 16, 23 Aug, 6, 13, 20, 27 Sept, 4, 11, 18, 25 Oct, 2, 9, 16, 23 Nov, 6, 13, 20, 27 Dec.

Options on Malaysian Stocks. Calls and Puts. Expiry dates: 10, 17, 24, 31 May, 7, 14, 21, 28 June, 5, 1

COMPANY NEWS: UK

Tilbury Douglas falls 25% but current year starts well

By Angus Foster

TILBURY DOUGLAS, the construction and property company formed last October with the acquisition by Tilbury Group of Robert M Douglas Holdings, yesterday announced a fall in profits, but said it started 1992 with work in hand 12 per cent higher than a year ago.

Pre-tax profits fell 25 per cent to £15m (£20m) in the year to December 31, helped by a two-month contribution, worth £2.4m, from Douglas. The fall was due to weaker margins in construction and continuing recession in housing.

Mr Michael Bottler, group managing director, said Tilbury Douglas's range of businesses insulated it from some of the downturn. Scottish housebuilding, which has been more resilient than in England, had another "excellent year".

Turnover increased 23 per cent to £239.5m, due to a sharp increase in construction-related sales, which rose 28 per cent to £191.6m. Construction business for the privatised water and electricity industries remained buoyant, but pre-tax profits for the construction side fell slightly to £11.1m (£11.4m).

Pre-tax property profits were cut in half to £3.06m (£6.6m).



Michael Bottler, resilient Scottish housebuilding

House sales in Scotland increased to 446 (415) and prices were maintained at £58,000. But Mr Bottler said there were still no signs of any upturn in the English housing market, where sales declined to 52 (85) and average prices fell to £70,000 (£74,000). The company expects to increase sales in Scotland and England to 740 units this year, predicting a slight improvement in England towards the end of the year.

Interest earnings increased to £3.5m (£2.6m) and the company held net cash of £13.7m at year end.

Earnings fell to 46.9p (70p).

The directors recommend maintaining a 22.5p final dividend, to make an unchanged total of 33p. Dividend cover fell sharply to 1.1 times, reflecting the increased number of shares in issue following the Douglas acquisition.

The maintained dividend and an upbeat presentation lifted the shares 5p to 83p.

COMMENT

Tilbury Douglas is an under-researched company, but City houses may now be tempted to put the shares on their watch list. Despite difficult trading conditions, margins in the construction division were held close to a healthy 6 per cent and the slump in property profits is presumably relatively easy to reverse once the English market improves. Investors have the added attractions of the company's property developments, with the Spanish industrial development due for completion this year, and the first steerable sales from the Phoenix development in Glasgow due next year. Forecast 1992 profits of between £25m and £27m put the shares on less than 10 times with a dividend yield of 7.9. The only problem for enthusiasts is getting hold of the shares, which are very closely held by German interests and UK institutions.

WH Smith to inject £24m into Do It All

By John Thornhill

WH SMITH is to inject £24m into Do It All, its DIY joint venture with Boots, to help fund the roll-out of a new store format aimed at the serious home-improvement enthusiast.

At the same time, the two parent companies are tidying up Do It All's shareholding structure, which was created through the merger of Boots's Payless chain with WH Smith's Do It All two years ago.

Do It All's preference shares will be converted into £1 ordinary shares, of which Boots will receive 48.5m and WH Smith 24.5m, reflecting the difference in profitability between the two merged DIY businesses.

However, WH Smith will remain an equal partner by subscribing in cash for a further 24m £1 shares.

The cash inflow will initially be used to reduce Do It All's borrowings and will then be applied to financing the expansion of project-based DIY stores which have been successfully trialled at Rugby and Stafford.

Mr David Thompson, Boots' finance director, said Do It All's stores would be converted from August at the rate of six a month at a cost of about £250,000 apiece.

The DIY market has recently been disfigured by price discounting among the market leaders, B&Q and Texas Homecare, which has hit the 230-store Do It All chain.

But Mr John Napier, Smith's finance director, said: "Overall, our market is stable despite the competitive activity. It is not buoyant but it is not dreadfully awful. I am not sure that we share the City's view that there is a mid-life crisis in the DIY industry."

The restructuring is expected to have little effect on the reported earnings of both parent companies this year. But City analysts suggest more money may be needed next year to fund any further expansion.

Hewden Stuart's £15m beats City forecasts

By Peggy Hollinger

HEWDEN STUART, Britain's second largest independent plant hire company, easily beat analysts' expectations with pre-tax profits of £15m for the year to January 31.

The results, struck on turnover 16 per cent lower at £170.8m, showed a 40 per cent drop on the previous year's £25.2m compared to some expectations of up to 50 per cent. Sir Matthew Goodwin, chairman, said the achievement had been "tremendous. We are very, very satisfied."

He was optimistic that the group was facing the end of a recession which has savaged the plant hire sector.

The first signs of recovery were being reported in the south of England, he said. "It's not enough to write home about, but there's a little improvement." There had been no upturn in the north and

Scotland, however.

He was less than optimistic about the effects of a possible Labour government after the election. "It would set the whole thing extremely back," he said.

During 1991, conditions had been difficult and became even more competitive as the year progressed. "Prices are still abysmal," he said.

Nevertheless, tight control of capital expenditure and costs, and concentration on cash flow had helped the group to wipe out debt of £8m and end the year with £7m cash.

Thus, it could propose a token increase in the final dividend to 2.285p (2.175p) for a total of 3.16p (3p). Earnings per share fell from 9.14p to 8.36p.

"We are sitting on a pile of assets and have no form of commitments," Sir Matthew said. This would allow the company to acquire new plant

when the upturn eventually arrived.

The biggest damper on profits was the decline in sales at the tower crane hire division, from £12.7m to £6.5m. This was partly the result of completing phase one at Canary Wharf, in London's Docklands.

Sir Matthew said Hewden had received all payments from Olympia & York, the heavily-indebted property group which owns the development.

The sale of new construction equipment also suffered a sharp decline, profits falling from £1.9m to £660,000. Sales of second hand plant contributed £3.5m, compared with £4.5m last year.

Bad debts totalled £1.7m (£2m). This was the result of a string of small companies failing "day after day", Sir Matthew said.

COMMENT

Yet again the worthy Hewden

Stuart shines out in a ravaged sector. To report profits at all would be considered by many to be good work; but to do so after a £25m depreciation charge and a £500,000 write-down on an investment at the same time as eliminating debt and building £7m cash is commendable. Then look at the relatively modern fleet, allowing lower repair and maintenance charges than competitors, and Hewden looks set to clean up in an economic recovery... as long as one is within sight. The only sting in the tail could be another drop in the construction sector. Forecasts were revised upwards from £11m to about £14m for the year, putting the shares on a multiple of about 17. Although this looks high, considering the good cash management and future prospects it is still good value for the medium to long-termers.

Oliver losses jump to £10.7m

By Angus Foster

OLIVER GROUP, the shoe retailer which tried unsuccessfully to diversify just ahead of the recession, yesterday announced pre-tax losses sharply increased from £2.68m to £10.7m due to weakening sales, losses on disposals and re-organisation costs.

The results were expected and followed a profits warning in January. The shares fell a further 4p to 55p, compared to last year's high of 186 1/2p.

Turnover fell to £84.9m (£93m) in the year to December 31 as consumer spending dried up.

There was a trading loss of £19.5m (profit £3.46m) as costs continued to rise, mainly reflecting higher rent reviews. Mr Ian Oliver, chairman, said that last year was the most difficult in memory. He announced exceptional losses of £5.29m to cover falls in the value of some short-lease shops, losses on property sales and re-organisation costs.

Losses per share emerged at 39.45p (earnings 9.54p). The company is not paying a final dividend, although the interim dividend was maintained at 1.07p. Last year's total was 5.82p.

The picture framing division,

acquired in 1989, continued to lose money and was sold last month. This incurred an extraordinary loss of £768,000 and took total losses for the year to £10.7m.

The company defended its reserves by revaluing freehold and long leasehold properties, last valued in 1986. This led to a re-valuation surplus of £11.6m, which lifted shareholders' funds slightly to £42.3m (£41.7m).

Oliver also announced that it had bought 21 units from the receiver of Tandem shoes. All these shops are forecast to trade profitably this year, the company said.

Interest cut helps Scholl rise 13%

By Peggy Hollinger

SCHOLL, the supplier of foot and personal healthcare products, climbed 13 per cent to £16.1m at the pre-tax level last year on the back of sharply lower interest rates.

The fall in interest charges, from 4.4m to £2.1m, had offset the 4 per cent decline in operating profits to £15.7m.

Mr Neil Franchino, chief executive, said interest charges had benefited from the £24.5m rights issue in May. Excluding the rights, the company had moved from debt of £12m at the end of 1990 to net cash of £2m. With the proceeds, Scholl - formerly European Home Products - had net cash of £26m, he said.

This had been achieved by

cost-cutting, including the reduction of the workforce by 4 per cent to 1,700. Stock levels had also been decreased by 18 per cent to £21.2m.

Turnover suffered from similar stock-cutting exercises by retailers in northern Europe and adverse exchange rates. Sales fell by £1.4m to £144.4m.

Margins were slightly higher during the year, said Mr Franchino, although this was the result of depressed sales of Scholl footwear. Bad weather between March and May had resulted in a 3.5 per cent decline in shoe sales to £89.4m.

The higher margin corn and bunion plaster business had boosted sales by 5 per cent to £68m, while personal and healthcare sales fell from £30m to £27.3m.

Mr Franchino said the group aimed to expand in the therapeutic healthcare sector, with products such as herbal remedies and over the counter pharmacy products.

Spending on research and development would continue to rise, he said. New products introduced last year, such as the insole deodorant, Odour Attacker, had proved particularly successful in the UK and Italian markets.

Mr Gordon Stevens, chairman, warned that 1992 would continue to be difficult, but said he expected further benefits from cost-cutting.

Earnings per share rose from 10.5p to 13.1p, amply covering the maintained final dividend of 3.5p, which makes an unchanged total of 5p.

Trans World loss reduced to £1.15m

By Raymond Snoddy

TRANS WORLD Communications, the commercial radio group which used to own Miss World, cut pre-tax losses to £1.15m last year compared with £1.84m in 1990.

The group, which runs stations such as Picosally Radio in Manchester and Red Rose in Preston, hopes to return to profit this year and begin paying dividends again in 1992.

Mr John Whitney, recently appointed chairman of Trans World, said yesterday that as a result of a successful £12m rights issue and a new management structure he was confident "the group is now on a firm base from which steady progress will be made."

Mr Whitney, a former director general of the Independent Broadcasting Authority, believes the creation of a Radio Advertising Bureau and the arrival of new national commercial stations will raise radio's profile and increase its share of national advertising.

Turnover fell by 12 per cent to £11.38m although the fall was only 8 per cent when the disposal of Miss World in December 1990 is taken into account.

Market share for the company's four stations, broadcasting 8 services, increased in the final quarter of 1991 by nearly 4 per cent to 25.9 per cent.

Trans World also said that the first quarter this year showed an upward trend in revenue with January and February sales up 46 per cent on the same period in 1991.

Walter Alexander buy-out for £7.4m

Walter Alexander, the Falkirk-based company which is Britain's biggest bus body manufacturer, has been bought out by its management for £7.4m.

It was sold by Spotlatch, a company formed by the finance house Granville in 1990 to buy Walter Alexander, which was then quoted on the Stock Exchange.

Spotlatch took the group private in a £42m deal and its peripheral activities were sold off, leaving only the bus manufacturer and Donaldson Hunter, a filtration business.

The buy-out was led by Mr Ian Galloway, chief executive, and is backed by institutional investors including Standard Life, Dunedin Ventures, Clydesdale Bank.

Smith New Court warns on new accounting measures

By Andrew Jack

NEW ACCOUNTING standards will force investors and brokers to construct new measures to analyse corporate performance, a circular from Smith New Court, the securities house, warned yesterday.

Earnings per share figures will become far more volatile and force analysts to adjust company data to analyse on-going company profits, which will make their research reports less easy to compare.

Smith New Court's examination of the impact of the proposals being discussed by the Accounting Standards Board is the latest in a series of documents from analysts dealing with the issues raised.

The house says proposals to abolish all but a few extraordinary items will cause profit figures to fluctuate, making earnings per share and dividend cover less important measures.

Cash flow measurement will grow in importance, but it argues that the new cash flow statement, which recently became compulsory, is proving difficult to interpret.

It also suggests that plans to re-introduce current cost accounting on the balance sheet deserve only low priority in an economy experiencing relatively low inflation.

The proposed statement on reserve movements could divert attention from accounts and other financial statements and cause confusion.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Anglo Fisheries	6	May 14	6	7	7
Baird (William)	5.38p	July 2	5.35	8.9	8.9
Berry Weintraub	2.41	June 2	2.4	4.7	5.75
Brooks Service	2.75	May 22	3.91	4.05	5.75
Campbell Int	6	June 1	8.5	1.5	1.5
Dawson Group	1.5	Jun 28	3.2	4.7	4.5
Gardiner (DC)	nil	June 1	1	2	3.25
Gowings	6.7	June 10	5.5	10	8.5
Great Southern S	2.285	July 14	2.175	3.15	3
Hewden Stuart	5.5	May 22	5.5	8.25	8.25
Home Cinema News	9.144	June 5	9.144	13.572	13.32
Ldn & Manchester	nil	May 15	-	4.75	1.07
Manchester Utd	nil	July 1	15.75	25	25
Oliver Group	16.751	May 18	3.5	61	6
Redland	3.5	nil	nil	1.5	1.5
Scholl	6.3	June 5	6	9	8.7
Scott Harbottle	9	July 1	8	14.25	14
Spirax-Sarco	0.8	July 2	0.6	0.6	0.6
Sun Alliance	22.51	June 3	22.5	33	33
Telemelex	22.51	June 3	22.5	33	33
Tilbury Douglas	22.51	June 3	22.5	33	33

Dividends shown pence per share net except where otherwise stated. 100 increased capital. SUSM stock.

Great Southern up 45% despite static death rates

By Graham Deller

GREAT SOUTHERN Group, the USM-quoted funeral director, achieved record results in 1991 despite static mortality rates in the UK.

The 45 per cent rise in pre-tax profits - from £3.22m to £4.68m - exceeded analysts' estimates.

Mr James Millie, chairman, said the outcome reflected tight control of overheads and debtors, which in turn led to improved margins and cash flow.

Gearing was reduced from 123 per cent to 96 per cent. The core funeral services side contributed operating

profits of £4.34m (£3.8m) on turnover ahead from £18.9m to £20.3m.

Higher overall volumes were behind a rise to £1.26m (£1.1m) in crematoria and cemeteries operating profits. Turnover rose to £4.82m (£4.23m).

Ancillary services put in operating profits of £575,000 (£288,000) on turnover of £2.59m (£2.08m), attributable mainly to the continued growth of Chosen Heritage, the group's pre-paid funeral scheme.

Fully diluted earnings per share jumped 47 per cent to 21.8p (£4.7p). A proposed final dividend of 6.7p lifts the total for the year to 10p (£5.5p).

SUN ALLIANCE			
RESULTS FOR 1991			
The audited Group results for 1991 are as follows:			
	1991 £m	1990 £m	
Premium income -			
General insurance	2,677.9	2,512.7	
Long-term insurance	1,017.7	861.2	
	3,695.6	3,373.9	
General insurance underwriting result	(833.5)	(550.8)	
Long-term insurance profits	54.3	47.7	
Investment and other income	313.0	322.2	
Profit/(loss) before taxation	(466.2)	(180.9)	
Taxation	(2.7)	(82.5)	
Profit/(loss) after taxation	(463.5)	(98.4)	
Minority interests	8.2	7.8	
Profit/(loss) attributable to shareholders	(471.7)	(106.2)	
Dividend	113.9	111.1	
Retained profits transfer	(585.6)	(217.3)	
Earnings/(loss) per share	(59.2p)	(13.4p)	
Dividend per share	14.25p	14.0p	

TERRITORIAL ANALYSIS OF GENERAL INSURANCE RESULTS

	1991	1990	
	Premium income £m	Underwriting result £m	Premium income £m
United Kingdom	1,667.1	(713.0)	1,631.4
Europe	445.8	(78.2)	378.9
USA	249.1	0.8	230.2
Canada	68.2	(18.7)	61.0
Australia	108.7	(12.3)	101.7
Other overseas	139.0	(12.1)	109.5
	2,677.9	(833.5)	2,512.7
			(550.8)

SHAREHOLDERS' FUNDS

The Group's net assets amounted to £1,684m at 31st December, 1991 (1990: £2,054m), excluding the value of long-term business. The solvency margin was 63% (1990: 81%).

DIVIDEND

The Directors recommend a final dividend of 9.0p per share (1990: 9.0p) making a total dividend for the year of 14.25p per share - an increase of 1.8%. The dividend, costing £72.0m (1990: £71.5m), will be paid on 1st July, 1992 to shareholders on the register at close of business on 24th April, 1992. The scrip dividend alternative will again be offered.

The statutory accounts, on which the auditors have made an unqualified report and from which the above figures have been extracted, will be posted to shareholders on 27th April and delivered to the Registrar of Companies after the Annual General Meeting on 20th May, 1992.

2nd April, 1992

Sun Alliance Group plc

Head Office: 1 Bartholomew Lane London EC2N 2AB

NOTICE OF ADJOURNED MEETING OF THE HOLDERS OF SERIES III DEBENTURES TO MATURE JANUARY 1, 1995 OF CANADIAN TURBO INC. (FORMERLY TURBO RESOURCES LIMITED)

NOTICE is hereby given that the meeting of the holders of the Series III Debentures to mature January 1, 1995 (hereinafter referred to as the "Debentures") of Canadian Turbo Inc. (hereinafter referred to as the "Company") issued under a trust indenture (hereinafter referred to as the "Trust Indenture") dated as of the first day of January, 1995 made between the Company and Montreal Trust Company of Canada as trustee, as amended and as of October 5, 1988, scheduled to be held in London, England on March 26, 1992 at the hour of 10:00 o'clock in the forenoon (local time) has been adjourned and will be held at the offices of Stikeman, Elliott, Third Floor, Cottons Centre, Cottons Lane, London, England on Wednesday the 15th day of April, 1992 at the hour of 10:00 o'clock in the forenoon (local time) for the purpose of considering and if thought fit passing as an extraordinary resolution pursuant to the provisions of the said Trust Indenture the resolution described in the prior notice of meeting published on February 25, 1992.

The only persons who shall be recognised at the adjourned meeting or any further adjournment thereof as the holders of any Debentures or as entitled to vote or be present at the adjourned meeting or any further adjournment thereof shall be the persons who produce Debentures and/or voting certificates at the adjourned meeting or any further adjournment thereof or their duly appointed proxies. Instructions and forms for depositing Debentures, forms of voting certificates and other information may be obtained on application to any of the depositaries at the addresses set forth below.

Those Debentureholders present in person or by proxy at the adjourned meeting shall form a quorum and may transact the business contemplated by this notice and the said prior notice.

For the convenience of Debentureholders unable to attend the adjourned meeting, proxies and voting certificates may be sent to Montreal Trust Company of Canada, c/o Royal Bank of Canada Europe Limited, 71 Queen Victoria Street, London, England EC4V 4DE, Attention: Cissile Warman and in order to be relied upon must be received at such address on or prior to the business day immediately preceding the date of the adjourned meeting.

Dated the third day of April, 1992.

MONTREAL TRUST COMPANY OF CANADA
Trustee
411 - 8th Avenue S.W.
Calgary, Alberta
T2P 1E7

The depositaries contemplated by the above mentioned notice are as follows:

Montreal Trust Company of Canada
Attention: Corporate Trust Department

411 - 8th Avenue S.W.
Calgary, Alberta
Canada T2P 1E7

15 King Street West
Toronto, Ontario
Canada M5H 1B4

Royal Bank of Canada Europe Limited
71 Queen Victoria Street
London, England EC4V 4DE

Banque Générale du Luxembourg S.A.
14 rue Aldringen
L-2951 Luxembourg

Place Montreal Trust
1800 McGill College Avenue
Montreal, Quebec,
Canada H3A 3K9

510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

Credit Suisse
Paradeplatz 8
CH 8001, Zurich, Switzerland

Morgan Guaranty Trust Company of New York
rue de la Régence 4
B-1000 Brussels, Belgium

Cedol S.A.
67 boulevard Grande-Duchesse Charlotte
P.O. Box 1006
L-1010 Luxembourg

NOTICE OF NOTEHOLDERS' MEETING Government Insurance Office of New South Wales

A\$50,000,000

14 1/4 per cent. Notes due 19th November, 1993

GIO Australia Holdings Limited (the "Issuer") hereby gives notice to the holders of Government Insurance Office of New South Wales ("GIO") A\$50,000,000 14 1/4 per cent. Notes due 19th November, 1993 (the "Notes") that a quorum was not present at the Meeting of Noteholders held on 31st March, 1992.

Pursuant to the provisions for Meetings of Noteholders contained in the Fiscal Agency Agreement, the Issuer gives notice to the holders of the Notes that an adjourned Meeting of Noteholders at which the quorum shall be two or more persons present in person holding the Notes and/or voting certificates and/or being proxies or representatives (whichever the principal amount and/or the Notes so held or represented by them) will be convened at the offices of Westpac Banking Corporation at Westpac House, 75 King William Street, London, EC4N 7HA (which place has for this purpose been approved by the Fiscal Agent) on Wednesday, 15th April, 1992 at 10.30 am London time in order to consider and vote upon the following Extraordinary Resolution proposed by the Issuer:

THAT the Terms and Conditions of the Notes be and they are hereby modified:

- by deleting the wording of Condition 2(b) of the Terms and Conditions of the Notes in its entirety and re-numbering Condition 2(a), Condition 2, accordingly;
- by deleting the words "except in connection with a scheme for the transfer of the whole or substantially the whole of its undertaking, assets and obligations to its successor in business being a statutory corporation incorporated in, or a company whose share capital is wholly-owned by, the State of New South Wales, Australia" in paragraph (v) of Condition 8 of the Terms and Conditions of the Notes; and
- by deleting the whole of paragraph (vi) of Condition 8 of the Terms and Conditions of the Notes and replacing the wording with "the Issuer ceases or threatens to cease to carry on its business, or disposes of all or a substantial part of its assets or undertaking by one or more transactions or series of transactions (whether related or not) save for (i) in the ordinary course of its business or (ii) to any wholly-owned subsidiary of it; or".

Terms used in the Terms and Conditions of the Notes bear the same meaning in this notice. The provisions governing the convening and holding of the meeting are set out in the Fourth Schedule to the Fiscal Agency Agreement, a copy of which is available for inspection at the specified office of the Fiscal Agent. Only holders of Notes, voting certificates and proxies named in a block voting instruction may vote at the meeting.

If a Noteholder wishes to vote he should attend in person, or deposit his Note(s) with a Paying Agent no later than 48 hours before the scheduled time of the meeting. The Paying Agent will then issue a voting certificate in favour of such Noteholder.

If a Noteholder wishes a Paying Agent to appoint a proxy to vote on his behalf at the meeting, he must deposit his Note(s) with a Paying Agent no later than 48 hours before the scheduled time of the meeting, specifying whether the vote(s) attributable to such Note(s) should be cast for or against the resolution. Such Paying Agent will then issue a block voting instruction to a proxy of its choice, instructing such proxy to cast such vote(s) in the specified manner.

Accountholders of Euro-clear and CEDEL to whom Notes are credited in the relevant clearing system (excluding Euro-clear and CEDEL themselves to the extent to which they are accountholders with each other for the purpose of operating the "bridge" between them) should notify the relevant clearing system how the votes attributable to such Notes should be cast in time for the relevant clearing system to inform a Paying Agent no later than 48 hours before the scheduled time for the meeting of the number of votes to be cast for and against the resolution.

This notice is governed by, and shall be construed in accordance with, English law.

Fiscal Agent
Kreditbank S.A. Luxembourg
43 Boulevard Royal, L-2955 Luxembourg

3rd April, 1992

NOTICE OF NOTEHOLDERS' MEETING Government Insurance Office of New South Wales

A\$65,000,000

15 1/4 per cent. Notes due 2nd August, 1993

GIO Australia Holdings Limited (the "Issuer") hereby gives notice to the holders of Government Insurance Office of New South Wales ("GIO") A\$65,000,000 15 1/4 per cent. Notes due 2nd August, 1993 (the "Notes") that a quorum was not present at the Meeting of Noteholders held on 31st March, 1992.

Pursuant to the provisions for Meetings of Noteholders contained in the Fiscal Agency Agreement, the Issuer gives notice to the holders of the Notes that an adjourned Meeting of Noteholders at which the quorum shall be two or more persons present in person holding the Notes and/or voting certificates and/or being proxies or representatives (whichever the principal amount and/or the Notes so held or represented by them) will be convened at the offices of Westpac Banking Corporation at Westpac House, 75 King William Street, London, EC4N 7HA (which place has for this purpose been approved by the Fiscal Agent) on Wednesday, 15th April, 1992 at 11.00 am London time in order to consider and vote upon the following Extraordinary Resolution proposed by the Issuer:

THAT the Terms and Conditions of the Notes be and they are hereby modified:

- by deleting the wording of Condition 2(b) of the Terms and Conditions of the Notes in its entirety and re-numbering Condition 2(a), Condition 2, accordingly;
- by deleting the words "except in connection with a scheme for the transfer of the whole or substantially the whole of its undertaking, assets and obligations to its successor in business being a statutory corporation incorporated in, or a company whose share capital is wholly-owned by, the State of New South Wales, Australia" in paragraph (v) of Condition 8 of the Terms and Conditions of the Notes; and
- by deleting the whole of paragraph (vi) of Condition 8 of the Terms and Conditions of the Notes and replacing the wording with "the Issuer ceases or threatens to cease to carry on its business, or disposes of all or a substantial part of its assets or undertaking by one or more transactions or series of transactions (whether related or not) save for (i) in the ordinary course of its business or (ii) to any wholly-owned subsidiary of it; or".

Terms used in the Terms and Conditions of the Notes bear the same meaning in this notice. The provisions governing the convening and holding of the meeting are set out in the Fourth Schedule to the Fiscal Agency Agreement, a copy of which is available for inspection at the specified office of the Fiscal Agent. Only holders of Notes, voting certificates and proxies named in a block voting instruction may vote at the meeting.

If a Noteholder wishes to vote he should attend in person, or deposit his Note(s) with a Paying Agent no later than 48 hours before the scheduled time of the meeting. The Paying Agent will then issue a voting certificate in favour of such Noteholder.

If a Noteholder wishes a Paying Agent to appoint a proxy to vote on his behalf at the meeting, he must deposit his Note(s) with a Paying Agent no later than 48 hours before the scheduled time of the meeting, specifying whether the vote(s) attributable to such Note(s) should be cast for or against the resolution. Such Paying Agent will then issue a block voting instruction to a proxy of its choice, instructing such proxy to cast such vote(s) in the specified manner.

Accountholders of Euro-clear and CEDEL to whom Notes are credited in the relevant clearing system (excluding Euro-clear and CEDEL themselves to the extent to which they are accountholders with each other for the purpose of operating the "bridge" between them) should notify the relevant clearing system how the votes attributable to such Notes should be cast in time for the relevant clearing system to inform a Paying Agent no later than 48 hours before the scheduled time for the meeting of the number of votes to be cast for and against the resolution.

This notice is governed by, and shall be construed in accordance with, English law.

Fiscal Agent
Kreditbank S.A. Luxembourg
43 Boulevard Royal, L-2955 Luxembourg

3rd April, 1992

COMPANY NEWS: UK

Resilient Spirax-Sarco ahead 2%

By Richard Gourley

SPIRAX-SARCO Engineering, the international steam engineering company, yesterday demonstrated the resilience of its international spread of markets by reporting profits up 2 per cent last year.

Pre-tax profits rose from £22m to £22.6m on sales up 6.8 per cent at £158.3m (£148.2m). The 1990 figures have been restated to take into account the re-emergence of hyperinflation in South America.

Earnings per share rose 0.2p to 18p and the company surprised the market by increasing the final dividend to 6.3p (6p) to give a total for the year of 9p, up 3 per cent.

Mr Chris Tappin, chairman, said the results were good in a demanding year when the group lived up to its reputation for consistent performance.

Spirax had a particularly strong second half, partly due to the inclusion of Watson-Marlow, the peristaltic pump maker, which it acquired in 1990, and partly through cost savings.



Chris Tappin: good results in a demanding year

Sales in the steam specialty business, which accounts for 85 per cent of sales, were stable at last year's levels but the group increased margins.

The South American businesses improved, with Argentina contributing a significantly increased profit.

Interest charges doubled to £2.2m, following the Watson-Marlow acquisition. But debt

was only marginally higher at the year-end at £17.4m after strong second-half cash flow and a lower dollar rate. Gearing fell from 28 to 25 per cent.

COMMENT

In an uncertain world there is something reassuringly predictable, like mother's cooking, about Spirax's performance.

Behind this British engineering company is a stranglehold on a world market and a conservative approach that might have something to do with the Cheltenham site where the company is based. Thus, it has chosen to recognise higher sales and lower profits for its South American businesses because of a resurgence of hyperinflation and it is playing down the significance of surprisingly strong recovery in the second half of last year. Like Weir Group, Spirax is also blessed with a highly visible profits stream, more than half of turnover coming from replacement sales for equipment already installed. The corollary is that once recovery sets in, Spirax may appear relatively unexciting. It remains, therefore, a stock for those cautious about the UK market and economic recovery and those uncertain that now is the time to be buying the cyclical recovery stocks. Pre-tax profits of £22m this year, giving earnings per share of 20p, give an undemanding prospective multiple of about 13.

Dawsongroup revived as rentals move into black

DAWSONGROUP, the commercial vehicle sales and hire and fleet truck rentals concern, staged a recovery in the 12 months to December 31 with pre-tax profits of £1.13m replacing a loss of £392,000.

Turnover was down from £48.3m to £43.7m, reflecting the closure of Dawsoncar during the first half of 1991; turnover on continuing activities was virtually unchanged.

Mr Peter Dawson, chairman, said the trading result represented a respectable achievement in demanding circumstances. Businesses had been loath to invest or enter into long-term commitments and

that had resulted in a fall of 23 per cent in new commercial vehicle sales and in poor demand for contract hire.

However, the rentals division virtually reversed its 1990 loss of £393,000 with a pre-tax profit of £392,000.

A 24 per cent cut in net interest costs from £6.72m to £5.13m and increased rental margins had been factors in the performance.

Mr Dawson said that there were some signs that the short term hire fleet utilisation was continuing to improve. Earnings per share were 2.7p (losses of 1.1p). The dividend is unchanged at 1.5p.

Acquisitive Telemetrix advances 21% to £4.5m

By Peter John

TELEMETRIX, the electronics and information systems group, reported a 21 per cent boost in profits for 1991 and announced that it was looking for further growth through acquisitions.

The pre-tax figure jumped from £3.69m to £4.48m on turnover ahead at £53.7m (£52.5m). Earnings per share worked through at 2.1p (2p).

The annual dividend is held at 0.6p.

The company said it had managed to buck the recessionary trend in Europe, Japan and the US - from where it gener-

ated more than half its turnover last year - through £1.2m of cost cutting, debt reduction and the improved performance of GTL, its US subsidiary.

Mr Tim Curtis, the new chief executive, said that the company was considering potential acquisitions in the £2m to £20m range but had "nothing on the stocks at the moment".

Having cut net debt from £7.8m to £4.8m it is expected to set its sights on targets within its "core business area", particularly those involved in Local Area Networks, the linking of personal computers within organisations as opposed to via a national database.

Hunter Saphir to sell offshoot to Northern for £7.7m

By Maggie Urry

HUNTER SAPHIR, the fresh produce and herbs and spices group, is selling Matthew Walker, its Christmas pudding subsidiary, to Northern Foods, the dairy, convenience foods, meat and grocery group, for £7.7m. The sale is conditional on shareholders'

approval and clearance by the competition authorities.

Hunter said the disposal was part of its strategy of concentrating on its core businesses. The cash raised will be used to reduce debt. Walker had been bought in January 1987, and was in Hunter's February 1991 balance sheet at £3.7m.

Northern, which makes own-label Christmas puddings at its Gunstones factory in Sheffield, said that Walker would strengthen its market position.

In the 1990-91 year Walker made an operating profit of £918,000 on sales of £9.3m. Hunter's shares were unchanged at 48p; Northern's fell 3p to 527p.

NEWS DIGEST

Associated Fisheries dips to £1m

PRE-TAX PROFITS at Associated Fisheries fell from £3.39m to £1.02m in 1991, and there was a 25m loss at the attributable level. However, the dividend is held at 7p.

Mr Keith Fitzgerald, chairman, said that taking account of the satisfactory financial position and the non-recurring nature of certain factors last year, the final will again be 6p. Earnings slumped from 12.64p to 2.86p.

The group has decided to provide an extraordinary 5.5m because it feels it may have to withdraw from the investment in Macfish, following Geest's announcement that it intended to seek withdrawal in respect of its 50 per cent shareholding. Attributable pre-tax profit from Macfish collapsed from £340,000 to £2,000.

Turnover dipped to £83.6m (£85.1m) and operating profits fell to £1.83m (£4.05m).

Brooks Service slumps to £0.6m

The recession, a substantial reorganisation, and heavy expenditure on training and quality improvement hit Brooks Service Group in the 12 months to December 28.

This textile and retail services combine saw sales fall to £23.6m (£25.4m), operating profit more than halve to £1.1m (£2.47m), and pre-tax profit slumped from £1.51m to £945,000.

Earnings per share were 3.6p (8.7p) and the final dividend is cut to 2.75p (3.51p) for a total of 4.05p (5.76p).

The profit included £24,000 exceptional credits (£330,000 charges), being recompense of £175,000 for relocating a retail shop, less rationalisation costs in rental services, including redundancies, of £151,000.

Storehouse holders exercise put option

Holders of the 4.5 per cent convertible bond issued in 1987 by Storehouse, the retail group, have exercised their put option forcing the company to redeem the bonds. The redemption price is 29.17 per cent above par value.

Storehouse had bought in £41m of the £69m issue, and holders of £27.8m nominal of the bonds have exercised their

puts. A few of the bonds are still outstanding.

The cost of redeeming these bonds is just under £36m, which the group has financed from existing facilities. The March 1991 balance sheet was unaudited and analysts expect the balance sheet for the year just ended will show single-figure gearing.

Assoc Nursing in deals worth £4.8m

Intercare Group has paid £2.6m cash to acquire SAFA, a leading supplier of products to the occupational health market, from Associated Nursing Services, the USM-quoted nursing homes specialist.

ANS has also entered into a three year supply agreement with SAFA covering the supply of medical products for nursing homes owned by ANS.

At the same time, ANS announced that it had bought Chestnut Court Nursing Home for £2.12m in a joint venture with Berleys de Zoete Weid. ANS has managed the 120 bed-nursing home, of which 30 are occupied, throughout its existence. BZW has guaranteed a working capital facility to equip all the 120 beds at the home.

Overseas side puts Campari on £5.3m

Campari International, the sporting leisure wear group, again benefited from its expansion into continental Europe with pre-tax profit ahead 10.5 per cent in 1991.

For the 13 month period, turnover rose 37 per cent to £53.7m (£39.3m). Overseas accounted for 67 per cent, against 58 per cent, with particular advances in Benelux and Germany.

Profit came to £5.27m (£4.77m). Earnings were 39.2p (£37.3p) per share and the dividend is raised 1p to 12p, with a final of 9p.

Wm Sinclair buy and vendor placing

William Sinclair, the garden products manufacturer, has acquired Secto for an initial £5m and a contingent deferred consideration of £1.6m.

Approximately 70 per cent of Secto's business is in the pet care and gardening markets with 30 per cent in household products.

The initial sum will be satisfied as to £4.25m by the issue of 1.63m new shares to the vendors, which have been placed

with institutional clients of Hoare Govett. The balance will be satisfied by the issue of 273,523 new Sinclair shares at 274.2p apiece.

In the year to September 30 pre-tax profits of Secto amounted to £169,000 on turnover of £2.83m, or £59,000 after taking account of non-recurring directors emoluments and exceptional expenditure.

Gowrings incurs £953,000 deficit

Gowrings, which runs motor dealerships, park homes and restaurants, finished 1991 with a pre-tax loss of £953,000, including exceptional charges of £342,000.

That compared with a deficit of £482,000 in 1990, which took in exceptional credits of £80,000.

Mr John Fowles, chairman, said the second half trading loss fell to £230,000, against £381,000 in the opening period. The final dividend is held at 1p, although that still leaves a cut in the year's total, from 3.25p to 2p. Losses per share were 10.6p (4.5p).

Benefiting from reorganisation, the motor side made a trading profit of £314,000, against a loss of £191,000 which included £156,000 attributable to the sold Fleetlease.

Defence spending trims Man Utd profits

By Jane Fuller

SPENDING ON two players reduced pre-tax profit at Manchester United by 19 per cent, from £3.92m to £3.17m, in the six months to January 31 1992.

Before the £2.23m net outlay on Paul Parker (defender) and Peter Schmeichel (goalkeeper), the football club - which floated last May - increased profit by 33 per cent to £5.41m. Transfer spending in the first half of last year was negligible.

The club, which heads the first division, had £12.8m cash in hand on January 31. Only half of this was raised via last May's flotation.

Turnover increased to £12.4m (£10.4m) as prices were raised and the average attendance at each league match moved up to 44,540 (43,242). Gate receipts accounted for 53 per cent of sales. Next most important were £1.76m of television fees and £1.64m in sponsorship and royalties.

Mr Robin Launders, finance director, said that £252,000 was taken on average at each home game, compared with £282,000 last season.

The estimated cost of building a new stand at the Old Trafford ground had been cut from £12m to £10.5m through reducing the executive and VIP accommodation. It is due to open next June.

Mr Launders said that although capacity would fall to 34,000 at the start of next season, price rises of about 30 per cent would more than compensate for the loss of volume.

Mr Martin Edwards, chief executive, said that most of the games and television appearances had fallen in the first half of the year. The club had no immediate plans to buy players.

To smooth out the impact of transfers on earnings, the club has set up a reserve fund. After taking £750,000 from this, earnings per share fell to 24p (28.6p). Before this movement, earnings were 17.6p.

The interim dividend is 6p and the board intends to pay a total of at least 17.4p.

The leisure division incurred a trading loss of £236,000, compared with a profit of £160,000.

Home Counties pays uncovered dividend

Pre-tax profits at Home Counties Newspapers Holdings declined sharply, from £2.89m to £1.06m, in the year to December 31, though turnover expanded by £1m to £21.5m.

Following a proposed final dividend of 5.5p, the unchanged 8.25p total is uncovered by earnings of 7.15p per share. Earnings in 1990 came to 15.5p.

Profits of this printer and publisher, already halved at the operating level to £735,000 (£1.4m), were further affected by a fall in investment income to £778,000 (£1.49m) and by exceptional charges, mostly relating to redundancy costs, of £458,000.

Reduced losses of £1.16m for Carlisle

Reduced pre-tax losses of £1.16m were announced by Carlisle Group, the property services company, for 1991. In the previous year the loss was £5.42m.

Losses per share emerged at 3.3p (25.9p).

BENETTON GROUP SpA

Registered office: Via Vita Minelli, 1
Porence Veneto (TV), Italy
Issued and fully paid capital: Lire 81,775,892,500
Treviso Company Register No. 4424

NOTICE OF MEETING

Notice is hereby given that the Stockholders' Annual General Meeting of Benetton Group SpA will be held, in first calling, at 10.30 a.m. on April 22, 1992, at Via Vita Minelli, 1, Porence Veneto (TV), Italy, and in second calling, if necessary, at the same time and place on April 30, 1992.

AGENDA

- To receive the reports of the Board of Directors and the Board of Statutory Auditors;
- To determine the balance sheet and the profit and loss accounts of and for the year ended December 31, 1991, related resolutions;
- To elect the Board of Directors, determining their number and their term of office;
- To determine the annual remuneration of the Board of Directors;
- To appoint a Statutory Auditor;
- To resolve the annual remuneration of the Board of Statutory Auditors, following the takeover by merger of Benetton SpA by Benetton Group SpA;
- To re-appoint the independent auditors for the years 1992, 1993 and 1994 and fix their remuneration.

Registered Stockholders may attend the Meeting if they deposit their shares, at least five days beforehand, at the registered office of the Company or with one of the following agents: Monte Titoli S.p.A., Banca Commerciale Italiana, Banca di Napoli, Credito Italiano, Credito Lombardo, Credito Veneto, Credito Saba, Credito di Torino, Monte dei Paschi di Siena, Banco di Napoli, Banco di Sicilia, Cassa di Risparmio della Provincia

FINANCIAL TIMES SURVEY

Momentum will be the key question after the recession: Page 2

MILTON KEYNES

The Open University is one of the largest in the world: Page 5

Friday April 3 1992

Milton Keynes poses the question of whether in Britain a complete city can ever be built from scratch. The experiment is unlikely to be repeated in the 1990s whichever political party or parties gain power. It may not be Venice or even Bath, but by its own lights it has worked. Stewart Dalby reports

Successes on many fronts

IT was difficult not to feel a twinge of sympathy for the Milton Keynes Development Corporation last month as its officers cleared their desks, put their books and papers into packing cases, and decided which of the hundreds of potted plants to take with them.

The development corporation was wound up on March 31 after 25 years. It has achieved notable successes on many fronts in creating a city - a city in the country as it has been termed - out of three small towns and 13 villages spread over 33 sq miles of Buckinghamshire.

Yet, Milton Keynes continues to produce an ambivalent attitude in people who visit and comment on it. One writer quoted Gertrude Stein's remark about Oakland in California, saying that there is no there there.

Mr Colin Amery, the architecture critic, wrote recently in this newspaper about the city and its new ecumenical church, saying: "There is a brand new ecumenical church with its dome at the centre... this dome ought to have been bigger. The dome does not do what domes are meant to do and sail over the lower buildings. Instead, it looks as though it tried to rise above its

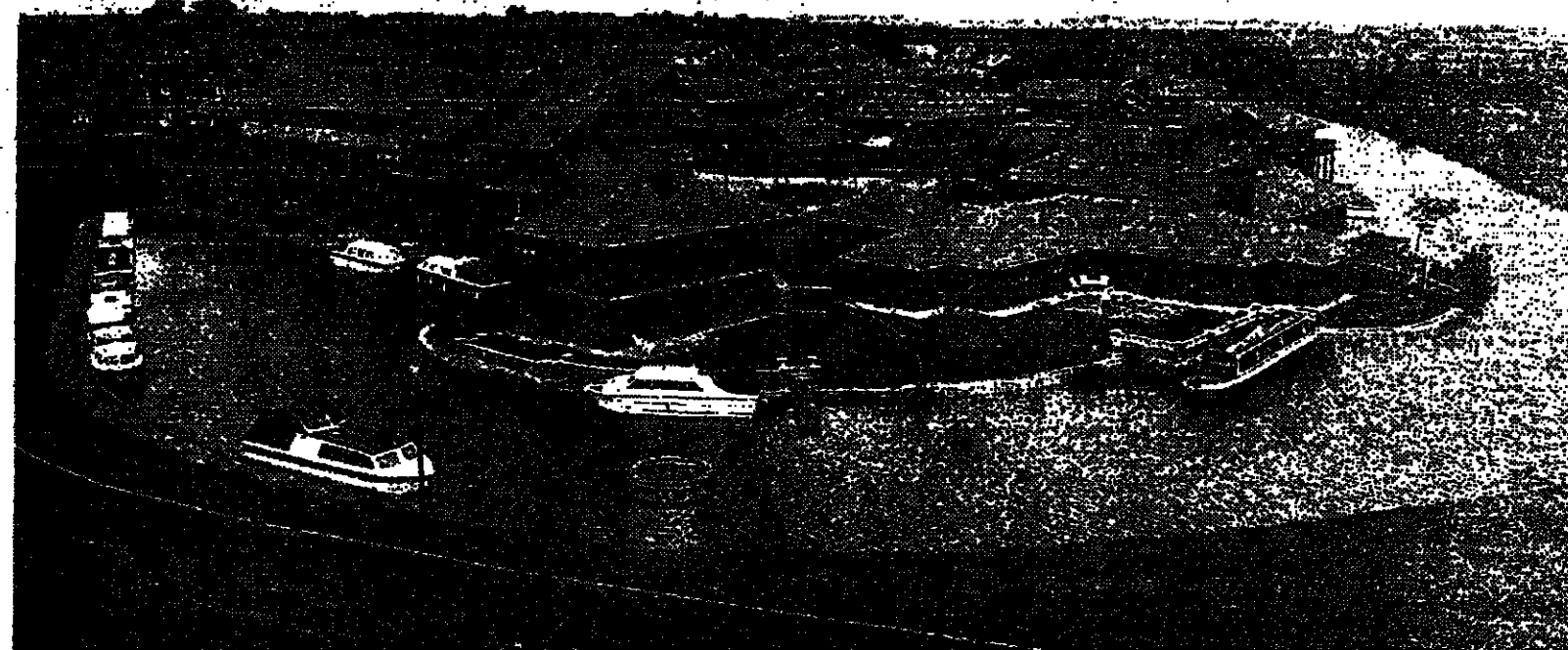
surroundings but sighed so deeply that it sank down again. That somehow sums up what I feel about Milton Keynes - it ought to have been wonderful but it isn't."

Everyone feels obliged to mention the concrete cows. These are in a field visible from the trains from London. They were a gift from a visiting US sculptress, Liz Leyh. Somehow they have come to symbolise the absence of life in central Milton Keynes.

In short, the lack of downtown bustle, busy street life, urban presence - or whatever it is that gives a city heart - is seen as meaning that Milton Keynes has not become a truly three-dimensional city where people can happily live, work and play.

Milton Keynes, more than any other new town started in the 1950s and 1960s, poses the question of whether in Britain, where we traditionally view our population centres as old organisms which evolve and expand naturally, a completely new city can be built from scratch. Perhaps you inevitably end up with a garden suburb which, although pretty, lacks soul.

Certainly, if you like a city to have a public house on every corner, and its streets to be



City in the country: To criticise planners because they have not created another Oxford or Bristol is to miss the point. Milton Keynes was always going to be different

dirty and choked with traffic, then Milton Keynes is not for you. Perhaps for the cynoscentist the city is not architecturally what they might wish it to be.

But to criticise the planners at the development corporation because they have not created another Oxford or Bristol is to miss the point.

Milton Keynes was always going to be different. It was going to hark back to the idealism of the first new towns early this century: towns like Welwyn Garden City and Letchworth which envisaged low-density housing in rural or garden settings. But, at the same time, it was going to be big and balanced enough to reach a critical mass of its own.

Importantly, it was going to contrast with many of our other cities which had grown haphazardly since the 19th century in that it could cope with that 20th century phenomenon the motor car.

The new town ideal under-

went a perversion in the middle years of the century. In order to accommodate overspill populations from the big cities while they were cleared of slum housing, a large number of new towns were created. Often they were old market towns with bits of housing and industry bolted on in a higgledy-piggledy way.

Many people were decanted into the new housing unwillingly, creating a single class of workers, while managers and owners lived in the surrounding countryside. The anticipated population explosion of the 1950s, in the big cities such as London, never materialised. Some of the new towns only managed to grow to about 80,000. This was not enough to develop sufficient support services or amenities. New town blues became a 1960s phenomenon.

Milton Keynes, which was the last of the new towns to be commissioned in 1967, would avoid all this by getting the size and balance right by

means of a comprehensive plan.

The city - Milton Keynes is, in fact, not officially a city although it has always called itself one - would be built on an American-style system of grid roads. Within the grids, there would be a balanced range of housing, retailing and social amenities.

Workers would live alongside bosses. Nobody would need more than 10 minutes to get to work. And everyone could go home for lunch, if they wanted to, or, alternatively, go shopping. The original villages and towns were to be drawn into this multi-centred city. The central business district would be left until last.

A parallel system of "redways" or walkways, adjacent to and beneath the roads, would mean that pedestrians and cyclists could move about the city without interfering with motor traffic.

No buildings were to be above tree height, so when the

13m trees and shrubs planted in the landscape grew up it would not feel like living in a city at all. There is no overhead cabling.

All this was seen as possible because it was launched at a time when a totally planned environment was believed desirable, massive public spending was almost an article of faith and social engineering on an enormous scale had not become discredited. It is difficult to see the experiment of Milton Keynes being repeated in the 1990s whichever political party or parties gain power.

On its own terms, Milton Keynes has not been a failure. The population has grown from 40,000 to 152,000 over the 25 years, and nearly 70,000 jobs have been created. More than 2,500 companies have been attracted. Because they represent a wide spread and only 15 companies employ more than 500 employees, Milton Keynes has weathered the recession better than many places. Unemployment, at 7 per cent,

is below the average for the south-east.

Traffic moves around at an average speed of 40mph. This compares with 11mph in London.

Just about everyone you talk to likes being in Milton Keynes. Mr Simon Cuthbertson, a partner in Coopers & Lybrand, Deloitte says: "I am very happy with the lifestyle here. I live in a village in the country, but I am in the office in 10 minutes."

"I can always park. I can drive to Heathrow in an hour and I am going to the Festival Hall in London tonight. I will be there in just over an hour, door to door."

Mr Kyoshi Watano, managing director of Alps Electric, one of the 43 Japanese companies in Milton Keynes, says: "I like the transport situation here. It is so easy to get around Milton Keynes and so easy to see my customers elsewhere in the country."

For many of those who have moved in there is little inclina-

IN THIS SURVEY

- Energy conservation: Buildings in Milton Keynes use energy more efficiently and more cheaply than anywhere else in Britain.....Page 2
- Local authorities: The borough council sees itself as increasing its responsibilities and emerging from the sidelines.....Page 3
- Investment: The city takes pride in a conspicuously high level of foreign investment as proof of its success.....Page 4
- Relocation: Even without subsidies, Milton Keynes remains a competitive destination for relocation of businesses.....Page 4
- Lifestyle: This immaculately planned garden suburb has been brilliantly adapted for the motor car. Transport is swift and stress-free.....Page 5

□ Editorial production: Phil Sanders

tion to return to their former home areas. "I came here 14 years ago because the housing was so cheap and there was work. I would never go back to Southall. This is marvellous for the kids. I tried to persuade others in my family to move out," Mr Samsar Dhuynay, who has a young family and describes himself as a railwayman, says.

Milton Keynes does have its minus points. You could not be without a car. The city centre could do with more amenities, particularly a theatre or concert hall, though it does have a large multiplex cinema, The Point.

It may not be Venice or even Bath, but by its own lights it has worked. A more interesting question is whether without the development corporation to drive it along it will continue to grow and become rounded out.

The government technically still owns 3,500 acres, an area in itself bigger than some existing new towns.

We've invested millions in Milton Keynes to make IT work better.

Milton Keynes is at the heart of the Unisys commitment to providing quality IT solutions to customers around the world.

We've come a long way since we first arrived in 1980 with six engineers. Today we are one of the biggest employers in the area and have invested nearly \$40 million there.

We also support many local organisations, such as The Milton Keynes Chamber Orchestra, The Stables Theatre at Wavendon and the Milton Keynes Community Trust.

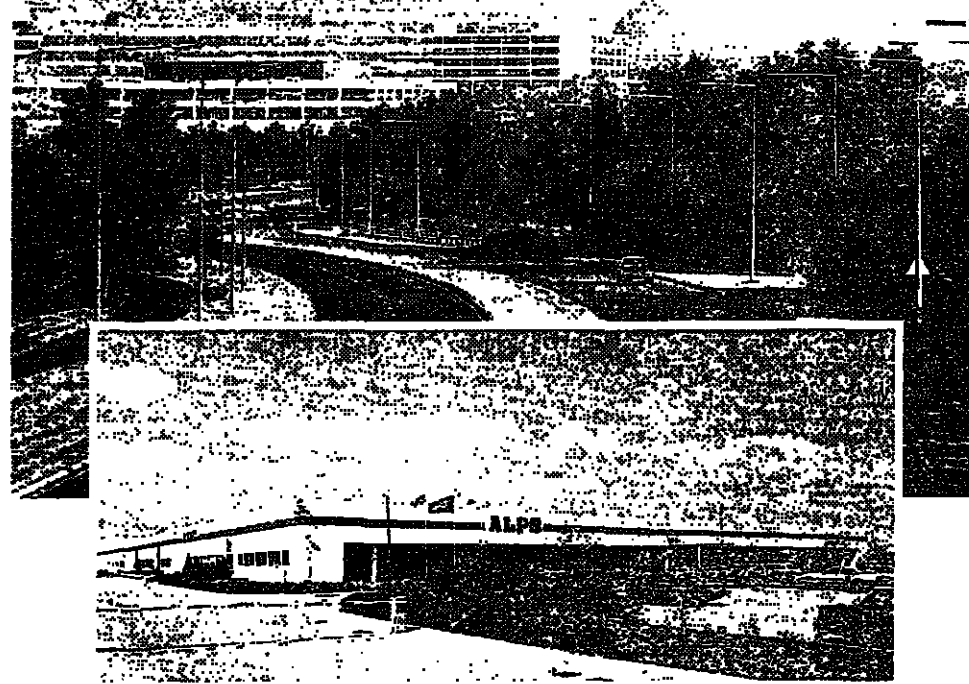
We have now expanded to four sites including a 250 student capacity education centre,

and most recently, a state-of-the-art Customer Service Centre. This will provide the central focus and back up for our nationwide IT services. A portfolio we call TOTALITY.

TOTALITY is a comprehensive package designed to help organisations use IT more effectively in order to maximise business success. We will be launching TOTALITY in Milton Keynes on April 9th. If you are interested in finding out more, call 0734 775677.

UNISYS
We make it happen

Celebrating achievement



Celebrating success

Congratulations to Milton Keynes Development Corporation on 25 years of achievement and in gratitude for their outstanding support in the location of our UK Head Office and Plant in the city.

ALPS
ALPS ELECTRIC (UK) LIMITED

ALPS is the world's largest independent manufacturer of electromechanical components. ALPS Electric (UK) Limited with an investment of £19M is one of the top 10 companies in Milton Keynes. Its 600 strong UK workforce manufacture and export high technology electronic components to customers throughout Europe. ALPS Electric (UK) Limited, Garamonde Drive, Wymbush, Milton Keynes MK8 8LW Telephone (0908) 560666.

MILTON KEYNES 2

□ THE DEVELOPMENT CORPORATION

Momentum is key question

The Milton Keynes Development Corporation has been the driving force behind the establishment of the city. But the corporation has been wound up since March 31, so where does Milton Keynes go from here?

In the early days - the corporation was set up in 1967 - the MKDC's activities were all-embracing. It bought up all the land which was not being used, about 18,000 acres. It serviced the land, putting in primary infrastructure such as sewerage and water. It built roads on a grid pattern and a parallel system of walkways and cycle paths, known as Redways.

It constructed houses, factories, offices and shops. It built parks, social centres and sports facilities. In all, it is estimated 13m trees, plants and shrubs have been planted throughout Milton Keynes.

Private developers became interested as commercial rates of return were achievable on speculative building of offices and houses and the development corporation latterly became more of a catalyst.

Not only did the MKDC have government money at its disposal, it also had planning rights. Land was sold on to developers. Offices were disposed of to tenants where possible and shops and other commercial amenities to institutions. Postel, a trade union pension fund, bought the half mile-long covered shopping centre in central Milton Keynes, for example.

Mr Frank Henshaw, general manager of the corporation before it was wound up, estimates that about £1bn of government money at historic cost has been pumped into Milton Keynes over the 25 years of the corporation's life.

This money came in the form of loans from the government. Virtually all of the £1bn has been paid back from the proceeds of asset sales. Mr Henshaw estimates that if certain deals on land go through, then the money paid to the government will exceed £1bn.

The figures are not strictly comparable since the outlay is at historic cost and certain loans were written off in the mid-eighties. Receipts are more recent and in some cases at current cost.

However, by the end of the century, total private and public sector investment could exceed £5bn. This is because although the development corporation has been wrapped up it is handing on considerable assets.

To date it is estimated that private sector investment in Milton Keynes has been about £2bn at historic cost.

The key question is whether the momentum will continue after the recession and without the development corporation to



Sir Neil: a specific brief.

act as handmaiden to developers and businesses.

Mr Henshaw has no doubt that Milton Keynes will be developed further along the lines already established.

He says: "If you had asked me two years ago whether the outstanding land would be developed in the same way as the rest of Milton Keynes, I would have had my doubts. At that stage the local authorities had different ideas to us about the way forward."

"Since then, we have serviced all the outstanding land and gained planning consents for much of it. There is a tremendous commitment among the local authorities and the business community that Mil-



Frank Henshaw: driving force

ton Keynes should continue to grow."

The main commercial assets which the corporation is passing on are being taken over by the Commission for New Towns (CNT). This is the government agency charged with realising the outstanding assets of all the new towns: there were 21 new towns in Britain excluding those in Scotland. Milton Keynes is the last of the new towns to be wound up.

The CNT estimates that over the years the government invested some £4bn, at historic cost, in the new towns. It is a measure of the size of Milton Keynes development that about one quarter of these

funds has gone into this single new town.

The outstanding assets are also on a grander scale than those of the other new towns. There is relatively little built property to be disposed of, either let or sold - about 500,000 sq ft of offices and factories. But there is 2,000 acres of land which is serviced and has specific planning consents. There is a further 1,500 acres which is serviced but does not have planning agreements as yet.

This land, with the right mix of housing, offices and factories, could accommodate another 50,000 people.

Sir Neil Shields, chairman of the CNT, is sure that Milton Keynes will continue to grow once the recession is over.

He says: "The development corporation has done a terrific job in developing Milton Keynes, especially when you consider they were not able to offer grants or other incentives. But there comes a time when a new town ceases to be a new town and achieves a critical mass."

"You need government money to prime the pump at first, put the roads in and so on. Developers generally won't do that. But then the private sector takes over. The Milton

Keynes Development Corporation has done such a good job it has put itself out of a job."

But Sir Neil says the government has accepted that there is still a lot that could be done.

"There is an awful lot of land still left," he says. "There is ample scope for the population to grow to 200,000 by the end of the century. The factors which made Milton Keynes attractive still exist. Its position between London and Birmingham and on the M1 is excellent. Housing is still cheap, relatively speaking, and more houses will be built. It is a question of waiting for this recession to end."

The CNT has been given a specific brief for Milton Keynes. It will not just be trying to realise the assets by disposing of them at the best market price but actively developing the land in line with the master plan. It is being given special funds for promotion which are being ring fenced. These run to several million pounds a year, according to Sir Neil, and are in addition to the money being spent by MK Marketing, the development agency established to succeed the development corporation.

MK Marketing and the CNT are hoping to pick up where the corporation left off. The CNT, unlike the corporation, will not have planning powers. These go to the borough council. But since much of the land already has planning consents, this hardly matters.

Stewart Dalby



Mary Archer: promoting home energy efficiency

□ ENERGY CONSERVATION

Pioneering efficiency

MILTON KEYNES is mercifully free of energy-related eyesores such as coal mines, power stations or large gas-holders. But the city has steadily acquired a reputation as the place where buildings - homes, offices and light industry - use energy more efficiently and cleanly than anywhere else in Britain.

It has also pioneered a system for measuring and comparing the energy efficiency of buildings which is being adopted in many other parts of Britain and is being recommended by central government.

The city's energy reputation will take another step forward this year when work starts on the construction of a National Energy Centre alongside the A5 main road.

The 60-acre centre, to be called Odyssey, will contain exhibition halls, conference facilities and a theme park which is expected to draw at least 500,000 visitors a year, many of them schoolchildren. It will explain energy with some of the techniques associated with the much bigger Epcot centre, the scientific Disneyland, at Orlando, Florida.

The Energy Experience will have a strong environmental theme, showing the link between energy use and global warming.

Mr Richard Tinson, director of the Milton Keynes-based National Energy Foundation, which is in charge of the project, says work on the £25m complex will start this summer.

Support is being canvassed from national and regional power utilities and collaborators is being explored with the Science Museum in London.

The conference and business facilities will be completed in 55 weeks - Wimpey is the main contractor - and the theme park is due to open in 1994. It will also become the permanent address of the National Energy Foundation, a non-governmental charitable foundation which has assisted the energy work of the Milton Keynes Development Corporation.

Mr Tinson joined the foundation in January from Shell UK where he had been chairman and managing director of Emstar, one of the country's biggest energy management contractors, recently sold to Associated Heat Services. The foundation's chairman is Mrs Mary Archer, the Cambridge university solar energy authority and wife of novelist Jeffrey Archer.

The site is part of the Energy Park, a 300-acre area, where

There are 10 facilities throughout the country to train people in use of the NHER scale

most of Milton Keynes's pioneering buildings have been established. The Park contains 1,200 energy-efficient homes and several commercial and light industrial buildings.

The Odyssey project will set the seal on Milton Keynes's emergence as a centre of excellence for energy-efficient housing.

The city's prestige stems not only from its buildings but from the system developed there for rating their performance. Now officially known as the National Home Energy Rating (NHER), it was based on a computer program developed for the Development Corporation by the National Energy Foundation.

The foundation claims that if every home in the UK was improved by just one point on the NHER scale, it would not only drastically cut the nation's energy bill but reduce the output of harmful power station carbon dioxide emissions by 4 per cent a year.

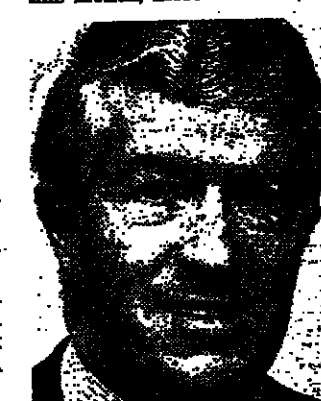
The system predicts the annual fuel costs per square metre of floor area, including space and water heating, cooking and lighting. It measures a house's efficiency on an index of 0 to 10. The higher the number the more efficient the design.

The NHER is now subscribed

to by 100 members, including a wide range of organisations such as the National Home Building Confederation, house-builders, local authorities and housing associations, as well as architects, surveyors and energy consultants.

There are 10 facilities throughout the country to train people in its use and about 300 people have qualified as assessors. In Leicester, it is being used as part of a city-wide environmental improvement programme and in Bristol it is being used to operate a "green" mortgage scheme which favours energy-efficient houses.

According to the National Energy Foundation, five big housing agencies are modelling all their stock using one of the NHER computer programs. By this month, more than 200,000



Richard Tinson: in charge of the £25m Odyssey complex

public sector homes should have been rated in this way. This year alone, says the foundation, the NHER is likely to be used to certify the energy rating of some 10,000 private new homes throughout Britain and a further 50,000 run by local authorities.

Last month, the NHER, together with an alternative system devised by a software company, was incorporated into a new government yardstick for energy efficiency labelling.

Two years ago, in its amended Building Regulations, the government required that new homes meet the equivalent of 6.5 to 7 on the Milton Keynes energy scale. The latest homes in the Milton Keynes Energy Park are intended to achieve a 9-point rating which is comparable with the best Scandinavian efficiency levels. Several thousand new homes in other parts of Milton Keynes are also expected to perform well above the proposed national level.

The NHER could have an even wider impact under a European Community draft directive on the energy certification of buildings. It proposes that half the new homes on the market in any year should comply with a nationally-accepted energy rating label. In Britain, says Mr Tinson, that could mean that 1.5m homes a year would have to face a rating test similar to that devised at Milton Keynes.

Significant improvements have been made too in the 60-acre section of the Energy Park earmarked for commercial buildings. The first two privately-funded energy-efficient commercial developments were the 40,000 sq ft Spectrum 7 building occupied by Leica, the German camera company, and the 66,500 sq ft Solaris Court, now used as the national headquarters of Parcelforce, the Royal Mail parcel delivery company. Both buildings are said to achieve an energy standard some 40 per cent better than the current national average.

Even more eye-catching is the purpose-built UK headquarters of Kabi Pharmacia, the Swedish pharmaceutical group, which supplies materials to British hospitals, and which was opened in January 1991.

It was designed by Hobbs, a Milton Keynes firm of architects, on the lines of Kabi Pharmacia's head offices at Uppsala in Sweden. Despite large expanses of glass, the low-energy costs thanks largely to the way warm air is controlled and re-circulated with Swedish ventilation equipment.

Maurice Samuelson

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MILTON KEYNES 3

LOCAL AUTHORITIES

Council seeks fresh responsibilities

FOR a time last month it looked as if the Milton Keynes Development Corporation would end its life on a discordant note. It was involved in a row with the borough council about the takeover of certain community-related assets.

Before it was wound up on March 31, the corporation had been disposing of its outstanding assets in various ways.

The 2,500 acres of land still scheduled for factories, houses, offices and shops has been taken over by the Commission for New Towns. This is the government "realisation agency" which is responsible for liquidating all the remaining assets of the 21 new towns in England and Wales. The development corporation is leaving little in the form of buildings to the CNT. There is a mixture of about 500,000 sq ft of offices and factories to be disposed of. Nearly all the other factories, offices and shops have been sold either to tenants or to institutions. The houses which were built by the development corporation until the early 1980s, and which were not sold to tenants under the government's right-to-buy scheme, have largely gone to the Milton Keynes Borough Council. There are about 13,000 tenants and shared owners. In a recent ballot, 84 per cent of these opted to be taken over by the borough council, while the remainder will go to housing trusts. The outstanding community-related assets are going in five directions - to the county council, the borough council, parish councils, the voluntary sector and various community trusts.

The borough council estimates that there are 350 community assets, including playing fields, meeting places, allotments, parkland and works of art.

Buckingham County Council

will take over responsibility for libraries, schools and other educational establishments plus roads.

Public sector housing has usually been the bailiwick of district or borough councils. Apart from the houses, the Milton Keynes Borough Council - which covers an area larger than the corporation's designated area - is inheriting allotments, playing fields, children's centres and play grounds, and some district parks and community centres.

With these assets usually comes a balancing income package. The development corporation also hands over commercial premises, shops, public houses and factories which it owned so that recipients of the community-related assets (CRAs) have an income and the means to run them. These income packages run to several million pounds a year. The row between the council and the development corporation involved some of the last of the CRAs, the so-called linear parks, which run along watercourses such as the Loughton Valley park, the Ouzel and Ouse Valley Parks, and make up one fifth of the city area.

The development corporation wanted to set up a trust board to take control of the linear parks and other spaces. Mr Frank Henshaw, the last general manager of the development corporation, says: "The linear parks are such a unique feature of Milton Keynes we wanted to set up trusts that would be exclusively involved in maintaining them as they are."

The borough council wanted local residents to choose who would be responsible for the parks and how they should be run.

The council went to court where a judge ruled that the corporation could not simply

transfer the parks to the Milton Keynes Parks Trust and said it was up to Mr Michael Heseltine, the environment secretary, to decide their future.

At the eleventh hour, a compromise was reached between the borough council, the county council, the development corporation and the Parks Trust. It was agreed that the freehold of the parks would be transferred to the borough council. The parks trust will be given a very long lease and a balancing package of about £2m a year to run the parks.

Behind the row about the linear parks is the much larger issue of relations between local authorities and the central government.

Most local authorities, but especially those of a different political persuasion to the Conservative party governments of the past 13 years, have chafed under the progressive emasculating of local councils' spending rights.

In particular, many local authorities resented the fact that it became difficult to build public sector housing, in places



Outstanding assets: Some 3,500 acres of land still scheduled for factories, houses, offices and shops has now been taken over by the Commission for New Towns

where government quangos such as development corporations were imposed. Local councils became doubly frustrated because not only funds were channelled through the quangos, but also planning rights for both housing and industrial and commercial property.

In the 1970s, the development corporation built lots of

houses, some of which it sold, others which it let. The corporation was a pioneer in shared ownership and low-cost social housing. By 1984, the government decreed it could build no more. The 13,000 houses which had tenants were transferred to the borough council to manage.

Mr Gifford says: "We were

very pleased when in the ballot last year 84 per cent of the tenants decided they wanted us as landlords."

"Our stock is now 18,000 so we have more flexibility in dealing with the homeless and needy."

Taking over the houses is one way that the borough council sees itself increasing

its responsibilities and emerging from the sidelines.

It would also like to have taken over the land which has gone to the CNT.

Mr Gifford says: "Much of the land has already received planning consent anyway, and we are satisfied that the land will be developed in accordance with the masterplan

under which most of Milton Keynes has already been built."

After 25 years with a development corporation standing over it, the borough council wants to emerge in its own right and run as many areas of Milton Keynes as it can.

Stewart Dalby

MILTON KEYNES



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Milton Keynes Development Corporation general manager Frank Henshaw: disposing of community-related assets

MILTON KEYNES 4

COMPANY RELOCATIONS

A competitive destination

AN important difference between Milton Keynes and other towns and cities looking for new investment and relocating companies in the past decade was that there was not much industry in Milton Keynes in the first place. Swindon and Peterborough – towns similar to Milton Keynes in that they grew rapidly in the 1980s – were both railway towns with a pool of skilled labour that new companies could utilise and build on. Similarly, south Wales and the north-east of England had declining industries such as steel, coal and shipbuilding, all of which shed labour in recent years.

But Milton Keynes' lack of an indigenous labour force did not act as a deterrent to new investors. At first the development corporation and later the private sector made sure that enough houses (about 45,000) across a wide price range were built to accommodate the workers and managers that relocating companies would need.

The biggest employer is the Abbey National which has 3,500 workers on the payroll

turing sector for somewhere so close to the Midlands. It has comparatively few large companies. And it has a relatively young workforce.

There are few very large manufacturing concerns, although there are a considerable number of medium-size light manufacturing companies involved in component manufacturing. The manufacturing sector employs 21 per cent of the workforce, below the national average.

A recent employment survey undertaken by the Milton Keynes Development Corporation showed that the two largest categories of companies were those which employed less than 20 people and less than 100. Only 160 companies have more than 100 employees.

Sixty companies employ more than 200 people and only 15 employ more than 500.

Service and distribution companies dominate among the largest concerns and the smallest.

The biggest employer is now the bank, Abbey National, which has 3,500 workers on the payroll, but it has only grown to this size in the past four years. In 1987 it employed 800. At that time the largest employer was the Open University which employed 2,300, similar to the number it employs today.

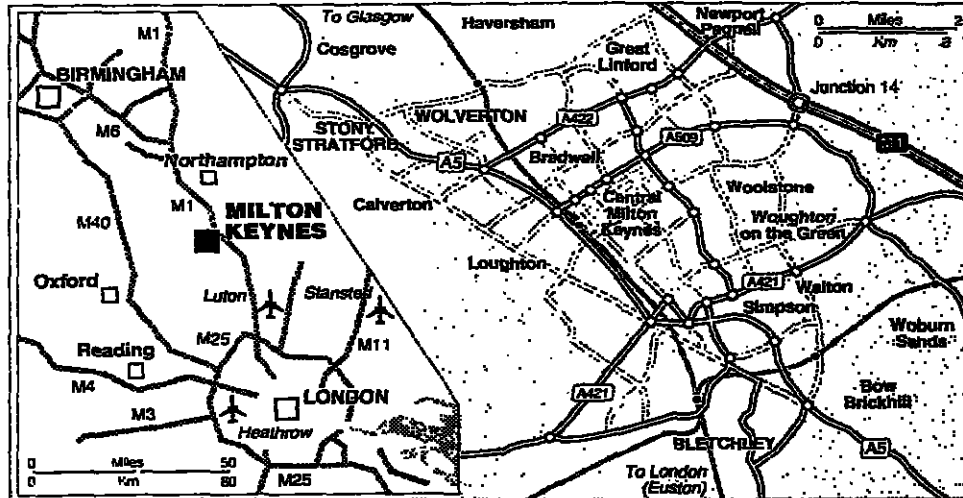
Other large companies are the Argos group, the catalogue showroom retailer, and motor car distributors such as Volkswagen.

Companies in the service sector and manufacturing have flocked to Milton Keynes because of its strategic location, because there is plenty of space for working, living and parking and because its costs remain low compared with London, the south-east and Birmingham. Of the 3,300 registered companies or parts of companies, 2,500 have established themselves in Milton Keynes in the past 20 years.

In the early 1980s, when Abbey National found itself bursting at the seams in its headquarters in London's Baker Street, it wanted somewhere cheaper but close enough to London so that an important number of staff would move either by commuting or by physically relocating. It also wanted a location where there were no larger employers, particularly in the service sector.

Milton Keynes fitted the bill. Mr David Woolcott, group personnel manager, says: "We wanted somewhere which was close enough to London for executives to come and go to the London headquarters. We still operate management, treasury and corporate functions from there. But we also wanted a place where other key staff would work."

More than half the 800 employees of the early 1980s came from the London office. As the company has expanded, staff either commute in or have been taken on locally.



About 45,000 houses in a wide range of prices were built to accommodate relocated workers

Mr Woolcott says: "There are trains every 20 minutes to London's Euston which is just up the road from Baker Street. The fastest trains take just 35 minutes."

Mr Woolcott also says the company likes the space and lack of congestion in Milton Keynes. Parking is easy, although Abbey employees have to pay a small fee because their office buildings are near the station and their car parks were apt to be invaded by commuters. Parking used to be free.

BRS, formerly British Road Services, is in the process of

moving 200 employees into newly acquired offices in Milton Keynes. The company says the space and good communications were important considerations in selection of the city.

Ms Sue Simpson, marketing manager of the transport group, says: "We looked at Bedford, where our parent company NCF (formerly the National Freight Corporation) is based. But Bedford is basically a market town with parking problems and congestion."

"We also looked at various business parks. The trouble with these are that they are

usually on the outskirts of town, and you either have to build your own amenities, canteens, gyms and leisure facilities or see the staff travelling into the nearest town for lunch. Here in Milton Keynes, you can have the best of both worlds. You are right in the middle of town, so there are pubs, restaurants and shops close by. But it is also easy to get in and out and park."

The space and lack of congestion was also attractive to Mr Kyoshi Watano, managing director of Alps Electric (UK), one of the 43 Japanese concerns in Milton Keynes.

The Milton Keynes Development Corporation was never able to offer grants and other incentives of the kind offered by areas such as south Wales and the north-east. But it was able to offer land and factories which would enable expansion. Alps started up five years ago with 80 employees. It makes electrical components for VCRs and televisions.

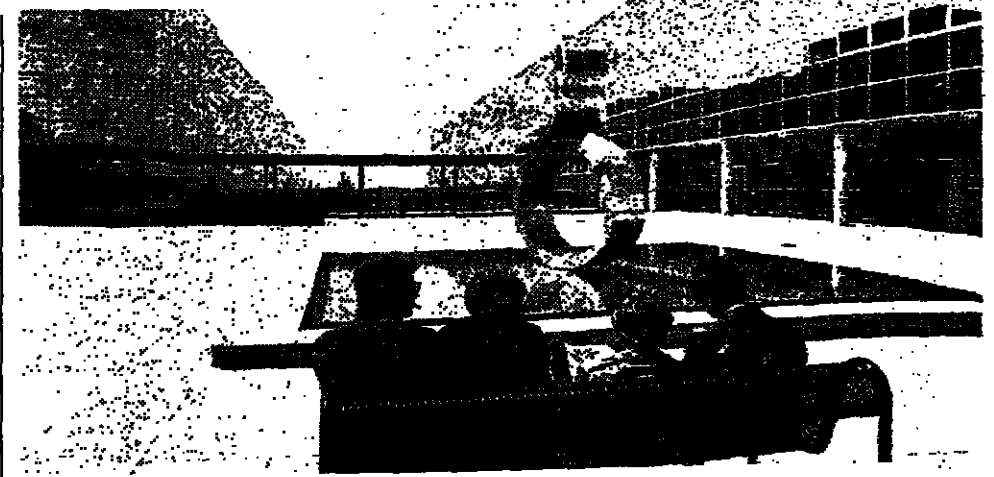
Mr Watano says: "We wanted to be in England for our European operation because of the English language, and to be near other Japanese companies – particularly our customers. I looked at south Wales, and also Telford, but I chose Milton Keynes because this was the best for distribution for all our customers. One of our customers is Philips which is in Holland. They might not have liked it if we had gone to Wales because Sony is there."

Asked whether the company did not mind going without the incentives available in Wales or Scotland, Mr Watano says: "Grants do not make a company; it is the quality of the people. Here, there are good, well-trained people."

Even without subsidies, Milton Keynes remains a competitive relocation destination. Wages are between 10 and 20 per cent below those in London. With the recession throwing people who commuted to London or Birmingham on to the local market, fears of skills shortages have receded. Office rents at £15 a sq ft are a third of those in central London. There is plenty of land left for offices, factories and houses.

Milton Keynes is an hour's drive from Heathrow airport and just over half an hour on the train from London. Once the economy improves, Milton Keynes should again see an inflow of investment on a substantial scale.

Stewart Dalby



The city is perceived by many of the Japanese and Americans as outward-looking and dynamic

FOREIGN INVESTMENT

Taking pride in successes

MILTON KEYNES takes pride in a conspicuously high level of foreign investment as proof of its success over the past 25 years in attracting diverse businesses from far and wide. Almost 10 per cent of the companies which have set up in Milton Keynes are internationally based, giving the city well over 200 foreign corporate citizens.

Altogether, Milton Keynes boasts 19 countries from continental Europe and further afield in its international community. While the US dominates the scene, with 30 American companies represented, the Japanese also have a considerable presence, with 44 companies at the last count.

According to the Milton Keynes Development Corporation, which was wound up at the end of March, although incoming investment has slowed, it has not dried up, even in the recession. For multinational companies looking to the single European market and ahead, Milton Keynes apparently offers many advantages despite its location in one of the more remote regions of the enlarged European stage.

The English language already gives Britain an advantage over other EC countries in the eyes of both American and Japanese companies looking to locate their European operations.

What makes Milton Keynes more attractive than other British cities is its central location within the UK. Its proximity to key international airports, such as Luton and Heathrow, is a natural advantage.

Alps Electric, the world's largest independent manufacturer of electromechanical components, looked at sites throughout Europe before settling on Milton Keynes as the ideal location from which to service its customers throughout the European market.

The company, which supplies big name consumer electronics manufacturers, such as Sony and Panasonic, with electromechanical components and other products, found Milton Keynes provided it with the central location it needed to meet its customers' requirements.

"We need to be within two hours of our customers to give them maximum support," says Mr Peter Woodland, business planning manager of Alps (UK).

From Milton Keynes, Alps can also reach most parts of continental Europe within two to three hours and there are also excellent road links to the ports.

Since 1984, the Japanese manufacturer has invested £19m in its plant where it makes television and video cassette recorder tuners and remote control handsets for televisions and VCRs, among other products.

Unisys, the American network information systems and services group, is another company that found Milton Keynes attractive for the access it provides to other parts of the UK and continental Europe.

The group acquired 420,000 sq ft of property adjacent to one of the city's attractive man-made lakes and has invested £40m so far to set up a UK customer services centre

and a European education and training centre, complete with a 250-room hotel. The site also houses its European node of the group's worldwide data communications network.

One of the key functions of the customer services centre is to ensure rapid supply of any parts that are needed at a customer's site within the UK.

"In a service-oriented business, the complete solution (to information systems) and fast response time differentiates us from other companies," says Mr Phil Baker, personnel manager.

Being in Milton Keynes, where Unisys also has an enormous warehouse containing thousands of hardware products and parts for its various systems, and where it is also within easy reach of one of Unisys's big parts distribution centres in the Netherlands, means that it is able to respond quickly to customer problems that come into the customer services centre.

In addition to being centrally

Investment is likely to remain subdued until there are stronger signs of recovery

located between London and Birmingham, its proximity to London is another obvious advantage enjoyed by Milton Keynes.

For Alps, this was a key point that helped it to recruit talented engineers and technical staff. "It is not so easy to attract good engineers to remote areas," Mr Woodland says.

The other side of the coin, however, is that proximity to London means pay rates are influenced by London's high levels.

Location, although important, is only one of several factors that have attracted international companies to Milton Keynes. The availability of land and housing at reasonable prices turned both Alps and Unisys in favour of Milton Keynes.

Unisys, in particular, needed to find a site where it could consolidate seven different training and service locations. "Having an environment in which we could grow was a key consideration," says Mr Martin Sexton, director of company communications.

Milton Keynes has been much maligned by the British public – to which the city, laid out on a grid, appears as an urban sprawl, lacking in character. But the quality of life offered by the city was actually

instrumental in attracting many foreign companies.

Housing was available at reasonable prices, although prices have risen in recent years. The safe and comfortable environment was an important factor in easing concerns about living in a foreign country among Alps's Japanese managers. "The golf courses were just a coincidence," Mr Woodland says.

Contrary to the cold and uninviting image Milton Keynes has among many Britons, the city is seen by many Japanese and Americans who are perhaps more accustomed to the modern urban landscape – and, indeed, the Britons who live there, as outward-looking and dynamic.

"It had a very modern image, which is the image Alps wanted to portray," according to Mr Woodland.

And in spite of some initial resistance among Unisys's 60 or so instructors who had to be relocated to Milton Keynes from various parts of the country, Mr Sexton is confident that "to a man, everybody who lives in Milton Keynes enjoys being here."

Unisys is also happy to find more reliable administrative and support staff in Milton Keynes than it had in London. The stability among staff at Milton Keynes is a contrast to the very high turnover rates it experienced in London and the community spirit is better, it says.

This may also have to do with the community spirit being fostered in Milton Keynes by the companies that locate there. Mr Kyoshi Watano, managing director of Alps (UK) is a director of the local Training and Enterprise Council, a previous director of the Milton Keynes Chamber of Commerce and chairman of the local Japan club. Alps and Unisys are both patrons of the Milton Keynes Community Trust.

Foreign investment in Milton Keynes is likely to remain subdued until there are stronger signs of economic recovery in leading industrialised countries.

But the closing of the Development Corporation is also a growing concern for businesses already in Milton Keynes. "There is a strong body of opinion among businesses that wants Milton Keynes to develop as it has. Now that the Development Corporation is handing over to the council, there is obviously a concern that the priorities might change," says Mr Sexton.

Michio Nakamoto

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MILTON KEYNES 5

LIFESTYLE

Residents determined to have last laugh

JUST as Cambridge may be a romantic dream in the minds of those who never studied there, Milton Keynes has become a nightmare in the minds of those who have never lived there.

The British, who will label anything a white elephant unless it is an overnight success, have come to sneer at Milton Keynes, seeing only concrete cows, 16m trees three feet high, and roundabouts with one entry and one exit.

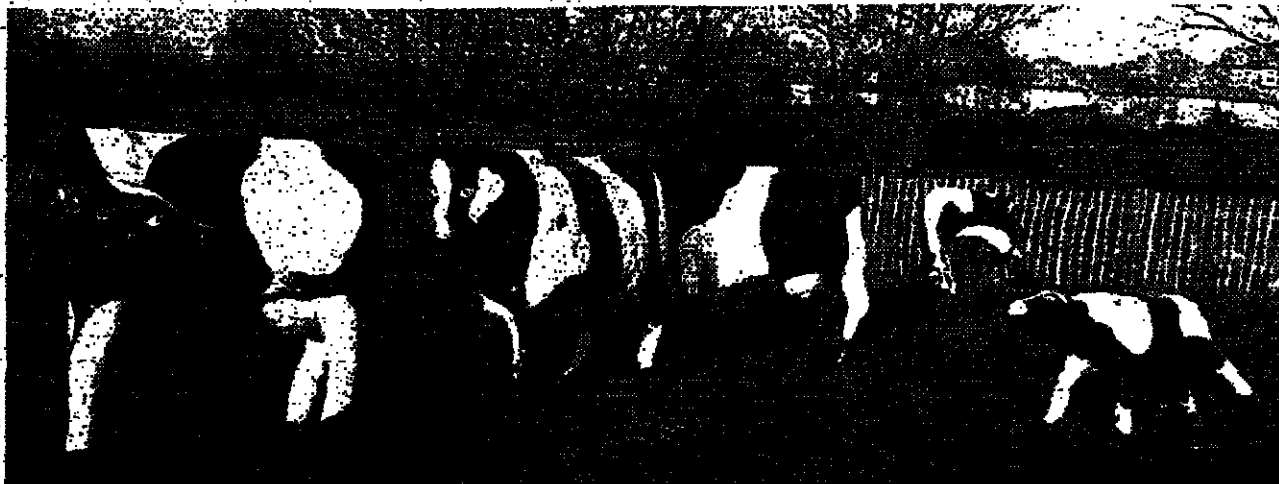
But the residents refer conspiratorially to "MK", conjuring up images of more exotic initials such as LA, and bask in another annoyingly British emotion: smug self-satisfaction. But after 25 years of being a stand-up joke the residents of Milton Keynes appear determined to have the last laugh.

It is difficult to find any coherent argument against the proposition that MK is a success as a lifestyle. What kind of lifestyle is another matter entirely.

The Queen recently disappointed MK, preferring to give another contender, Sunderland, the honour of cityhood in celebration of the 40th anniversary of her accession.

If Milton Keynes was a racehorse it would be out of Letchworth by Hampstead Garden Suburb. It may be doing itself a disservice by trying to run in the city stakes.

Much of the derision aimed at MK comes from efforts to



The concrete cows, a gift from visiting US sculptress Liz Leyh, symbolise the absence of life in central Milton Keynes, say critics

attain the status accorded cities. But while many who would agree that MK is not a city, should the citizens care? What's wrong with living in an immaculately planned garden suburb last seen wandering across the Buckinghamshire countryside?

What is more this garden suburb has been adapted, rather brilliantly by Walter Bor and Lord Llewellyn-Davies, for the car. The average worker has to travel 10 minutes to get to work. The lifestyle of Milton Keynes is home- and sports-based and gined together by the motor car.

More than 70 per cent of households have cars, compared to a national average of

68 per cent. With six sets of traffic lights and a unique grid system of vehicle-only roads, transport is swift and largely stress-free. (The road plan was originally referred to as a

The Redway cycle paths and footpaths form a healthy alternative to the road grid

"rationalised Los Angeles").

The home in MK is an electronic playground: 63 per cent of households have cable television (one of the highest percentages in Britain), while 65 per cent have a video recorder, compared to 47 per cent nation-

ally. The city's famous linear parks and lakes are sporting havens, and the Redway grid system of cycle paths and footpaths promotes a healthy alternative to the road grid.

The community is a young one. Ten per cent of MK's population is aged between 25 and 29, compared to 8 per cent nationally, while just 12 per cent of the population is over 60, compared to 21 per cent nationally.

Many of Milton Keynes residents came from London in the 1970s.

The clean-cut outdoor life which has been realised in the city can be seen as a reaction to the comparative squalor of many of the capital's tradi-

tional inner-city areas. The "green pull" of Milton Keynes is an increasingly strong location factor, especially in the development corporation advertising, and the city is proud that street pollution is two-thirds of that in traditional UK cities.

But the population mix has changed, and the 1988 household survey of the MK region found that only 35 per cent of the residents had come from London.

Significantly about 3 per cent of the 1988 population came from neighbouring Bedfordshire, Buckinghamshire, or Northamptonshire. About a fifth of households in the region moved to their present

home from addresses in Milton Keynes.

Satisfaction with the lifestyle is common. Four out of five residents profess to be satisfied with the way the city has been planned while 75 per cent are happy with the housing on offer. The proportion of owner-occupiers has increased over time, as has the number of shared owners, a local trend of increasing significance. In the past 22 years, some 44,000 homes have been built in Milton Keynes, most of them with gardens.

Traditional city entertainment in Milton Keynes has not had such a success rate. The opening of The Point, the UK's first 10-screen multiplex cinema, has done something to redress the balance but the city centre still lacks magnetism. The Leisure Plaza, opened in 1990, provides an ice-rink, room for 2,500 spectators and a 36-lane bowling alley.

The new ecumenical church of Christ the Cornerstone may provide the city with a soul, and its 120ft dome a much-needed landmark, but the city centre still resembles a ghost town.

The city does have social problems. There is little single-person housing. Both the



Life is less stressful and healthier than for most UK citizens

divorce figures and repossession rate are above the national average. There are 2,000 homeless people in the region.

But none of that should be allowed to disfigure MK's achievement. The city has a growing number of radical supporters, among them Mr Tim Mars, popularly known as "the guru of Milton Keynes", and the author of privately produced tour brochure on the region.

"I liked the city so much I lived there," says Mr Mars, who now describes himself as "an enforced exile". He believes the city's lifestyle is closest to that of California, but with parks and lakes replacing the beach, and while agreeing that "cityhood" is a mistaken aspiration for MK

finds "suburban" equally misplaced.

Mr Mars found that Milton Keynes was unlike other new towns: it wasn't shabby and it was not built as a romantic fantasy of a worker's playground. He insists that "from the inside out" MK is not dominated by the car, but by the Redway, cycle paths, and well-lit footpaths.

In Milton Keynes he finds a definition of the aspirations of many of its residents: life is private, mobile, rural, and close to the city. It is certainly true that for the people who live in this gentle garden suburb, life is less stressful, healthier, and more efficient than for the vast majority of Britain's citizens.

Jim Kelly

OPEN UNIVERSITY AND POLYTECHNIC

Evidence of a special attachment

NOT many towns in Britain have gained a higher education institution in the past 25 years. Milton Keynes must be unique in landing not one but two - the Open University, and a campus of Leicester Polytechnic, opened by the Queen earlier this month, whose title has just been upgraded to De Montfort University, Milton Keynes.

It also boasts a six-year-old further education college which is expanding rapidly.

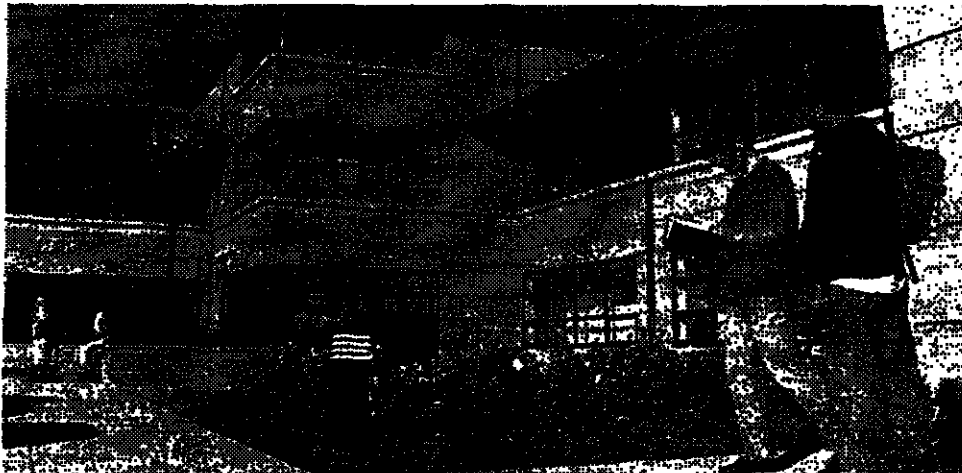
The Open University (OU) is ancient by comparison. Opened in 1969 as a novel experiment in distance learning, it is now one of the largest universities in the world.

It has more than 125,000 registered students. Including purchasers of study packs, a total of about 210,000 people come within its ambit.

Few of them ever see Milton Keynes, however. No teaching takes place on the campus, which is strictly an administrative and broadcasting headquarters. Summer schools and the face-to-face parts of courses take place in hotels and the campuses of other higher education institutions.

The locals evidently feel a special attachment to the OU: about 1,200 of its students come from the Milton Keynes postal district. But according to Mr John Daniel, the university's vice-chancellor: "Although we have those students, they are invisible, and the town does not consider us its university."

Nonetheless, with more than 2,500 academic and back-up staff, the OU is one of Milton Keynes's largest local employers after Abbey National. Mr Daniel, who took the top job two years ago after 20 years in Canada, is enthusiastic about



Milton Keynes Polytechnic: upgraded to the De Montfort University after a very rapid take-off

his base. "The transition was easy: if you have lived in North America, Milton Keynes is just the place to return to. You can park, there's lots of greenery, and communications are excellent."

The OU's future is assured. At present, £90m of its £156m annual budget is in the form of a direct government grant. From next year, the OU will forfeit its special earmarked grant and become dependant on the new Higher Education Funding Council. But Mr Daniel is confident it won't lose anything thereby: "Our unit costs per undergraduate are 40 per cent lower than in conventional universities, so even if the grant is slightly against us, we should do OK in the funding context."

Expanding overseas links is the OU's current priority. Within a few months, students will be able to register from throughout the European Community and Mr Daniel is expecting an influx.

The Open Business School, started in 1982 and now generating an annual turnover of £17m, already markets itself actively in eastern Europe and Russia. It has also joined the Master of Business Administration bandwagon, with a course particularly tailored for public sector employees. The first 211 MBAs graduated this year.

De Montfort's 50-acre campus is a stone's throw away - symbolically as well as geographically, since the OU helped to get the new polytechnic-university off the ground. It took off with lightning speed. It is just two years since the Milton Keynes Development Corporation invited higher education institutions to tender to operate a new campus in the town. The winner was Leicester Polytechnic (now styled De Montfort University), whose governors appointed Professor Peter Thewlis, dean of its school of computing, to oversee the new project.

"When I arrived last January," he recalls, "I had a car, a phone, a dictaphone and a temporary office in the Citizens' Advice Bureau." He also had a large field, which now boasts three large warehouse-style buildings - the first of a projected dozen or so - only one of which is yet open. Inside is a plushness most polys only

Student numbers are planned to rise to at least 5,000 by the turn of the century

dream of wall-to-wall carpets, spacious lecture theatres, every other room replete with word processors or computers.

The first 400 students and 30 lecturers - a third of them transfers from Leicester - arrived last October. Student numbers are planned to rise to at least 5,000 by the turn of the century, with the lecturing staff expanding accordingly.

More than a fifth of the first intake of students come from the locality - a higher proportion than typical for a polytechnic - and De Montfort is pioneering "compact" schemes and the like with local schools to strengthen links. But it is also building accommodation blocks (on a different site) and the proportion of students from beyond the town is likely to increase once it becomes fully part of the Polytechnics and Universities Central Council

on Admissions system next year.

"You wouldn't, perhaps, expect to do archaeology at Milton Keynes", says Professor Thewlis. "We chose our disciplines to match people's expectations and imagery for a Milton Keynes university."

The emphasis is resolutely applied and high-tech: schools of computing, business, engineering and the built environment are up and running; social work and "modular arts" - whose plans include a broadcast journalism degree, subject to validation - follow.

Some of the courses are offered on collaborative and franchising agreements with Milton Keynes Further Education College, which is keen to offer a seamless route from A-level through to degree. The college - a merger of FE colleges at Bletchley and Wolverton with a new and expanding campus in the town centre - has nearly 7,000 students, and is building a £5m extension at its town-centre site at Chaffron Way.

The concept of a "distributed university" lies at the heart of De Montfort's plans for its off-spring. Constrained on its home site at Leicester, the polytechnic was eager to expand, and is doing so through a network of colleges, each intended to have its own specialisms and "centres of excellence."

Milton Keynes is the first of the outposts. Bedford College of Higher Education - which has a strong emphasis on education, sport and the performing arts - is likely to join; the Lincoln College of Agriculture and Art and Design have also expressed strong interest. The end-product will be a 30,000-strong university on four sites within a 50-mile radius of Leicester, with many students moving between campuses for different parts of their courses. "The whole structure will be complementary, not just in disciplines, but in locations - a truly distributed system," enthuses Professor Thewlis. Taking it to heart, he lives half way between Milton Keynes and Leicester.

Andrew Adonis

DRTInternational

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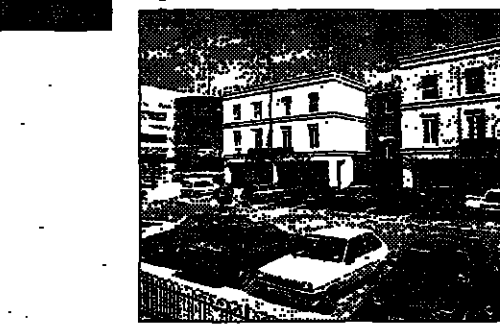
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COMMODITIES AND AGRICULTURE

S African farms face drought costs

By Philip Gawth in Johannesburg

SOUTH AFRICA faces the prospect of a drop of up to 50 per cent in agricultural output for the 1991-92 season as farmers experience perhaps the worst drought this century.

Particularly affected are grain producers in summer rainfall areas with the maize, already devastated.

The official estimate, released in mid-March, is for a crop of 2.1m tonnes and some economists believe this figure could still drop to 1.6m tonnes. This compares to a crop last year of 3.5m tonnes.

Mr Peter Cornie, general manager of the maize board, which sets maize prices in the country, says: "This is undoubtedly one of the worst droughts this century. The farmers are not going to be able to get back on their feet again without state intervention."

To meet the country's needs,

up to 5.5m tonnes of maize, at a cost of about R300-R500 (\$55-\$95) a tonne once transport costs are taken into account, will have to be imported. Thus, apart from the estimated R2bn-3bn in lost earnings that farmers will suffer, there will probably be a cash outflow from the country of R2bn-3bn to pay for the imports.

Maize prices will also rise. Mr Cornie says: "The aim would be to keep the price rise within range of the general inflation rate."

The price will rise because of the added cost of transporting a large portion of the maize from coastal ports to inland silos. The board, says Mr Cornie, also has to try and pay for its infrastructural capacity, including 40m tonnes of silo capacity, on a crop effectively only 25 per cent of normal volumes.

Mr Fanie Brink, economist at the National Association of Maize Producers (Nampo), says the average national yield for this year's maize crop is 600 kg

a hectare. The previous worst yield was 1 tonne a hectare in 1983-84. He says none of the 8,000 to 10,000 maize farmers in the country will break even. Depending on the geographical area in which they farm, they require yields of 2.5 to 3.5 tonnes a hectare to do so.

The government set aside R1bn in the budget, delivered two weeks ago, for drought relief. Committees are currently at work trying to decide how best this money should be spent. Officials of agricultural organisations have already said the money is insufficient.

Mr Barend du Plessis, the finance minister, described this sum in his budget address as a "ceiling", so it must be doubtful whether more will be spent, especially given that the state is already budgeting for a 4.5 per cent budget deficit. And many economists think it has been over-generous in its revenue estimates.

Preliminary indications from the government suggest the aid will be distributed on a

merit basis - to farmers who appear to have the potential to survive.

The knock-on effect of the drought will also be considerable. Most economists believe that it will cut the country's growth rate by about 0.5 per cent, with the result that few expect the economy to record real growth of more than 1 per cent this year. The cumulative farming debt - currently about R17bn - will grow further, in the process driving many farmers, who were under immense financial strain before the drought, off the land.

Some observers welcome this, saying it is time the state started encouraging farmers in high-risk areas to face the consequences. They argue that these farmers should be forced to take out more crop insurance, weighing this cost against the possibility of a premium crop. Such farmers should not be able to rely on automatic state aid when the elements turn against them.

US pork producers in export subsidy row

By Nancy Dunne in Washington

AMERICAN PORK producers and their supporters in Congress are up in arms about the US Department of Agriculture's rejection of export subsidies for the sale of pork to the Commonwealth of Independent States.

In a letter to President Bush, Congressman Jim Leach, an Iowa Republican, warned of political trouble ahead "if the administration does not give farmers a sense that they have the ear of a stake in this administration".

Otherwise, he said: "I have no doubt that rural America will look to alternative leadership."

The Bush administration on Wednesday called for an additional \$1.1bn worth of credit guarantees for the CIS. For years it provided the former Soviet government with subsidies for grain - mostly wheat - and even poultry. But it is resisting expanding the Export Enhancement Subsidy programme (EEP) to other meat, even though pork supplies are likely to be at their highest point in recent history.

Officials of Producers, the Russian buying agency, were in Washington this week, to request subsidies for the proposed sale of 30,000 tonnes of pork. Congressmen Leach and 59 other members of the House of Representatives and the Senate urged the administration to support the sale in order to help develop new markets.

They contended that US subsidy funding would be better spent on value-added exports, particularly those in which "the Europeans are developing a virtual monopoly".

The USDA gave no reason for rejecting the offer and said it might be considered later on.

There was speculation that the State Department did not want to interfere with Poland and other Eastern European countries obtaining a share of the market in a area where they are competitive.

The National Pork Producers Council issued a statement declaring its disappointment. "The NPPC cannot get a straight answer from the administration officials as to why the use of EEP funds was rejected," it said. "It clearly shows that the administration still does not have the message when it comes to the need for value-added exports. It sounds like business as usual."

Increase in Colombian coffee production causing concern

By Sarita Kendall in Bogotá

COLOMBIAN coffee growers are, as always, hopeful that progress towards the revival of the International Coffee Agreement will be made at negotiations in London next week, but the country's high production level is causing concern both among other producing nations and at home.

The 1991-92 harvest is estimated at 16m to 17m bags (of 60 kg), 3m to 4m bags more than Colombia's traditional output level.

Although the extended dry season may affect the second harvest beginning now, coffee stocks are likely to increase again this year, even if exports can be kept at 13m bags.

Colombia's production problem is partly the result of the government's use of the

National Coffee Fund to cushion the effect of low international prices.

From the collapse of the ICA's export quota system in July 1989 until the beginning of this year, the government continued to raise the domestic price paid to growers, though at a slightly slower rate than inflation.

In February, when the National Coffee Fund's reserves had dropped by over US\$500m, the domestic price was reduced for the first time. "The lower price and the loss of the subsidy for fertiliser will have a big effect, though it cannot be seen immediately," said Ms Soraya Otero of the Co-Operative's exporting group, Expocafé.

However, a financial incentive to take older coffee plantations out of production, for renewal could, in fact, raise

output in the long term. Some experts argue that only the most efficient producers, and those with no alternative, will survive the present market. That means that the medium-scale farmer, who has accounted for a big share of Colombia's production, may be the most vulnerable.

Colombia has raised its share of world exports to about 16 per cent in the last three years, by combining good quality with aggressive sales. But "it's been a very difficult, uncertain market", said Ms Otero. "Nobody has liked the way the business has gone and we all want an agreement."

Despite better export volumes, the National Coffee Growers Federation estimates that the country has lost over US\$500m in earnings, and coffee now contributes less than a quarter of foreign income.

New era for wine industry as quotas end

By Philip Gawth

THE SOUTH African wine industry received a tremendous boost this week with the announcement that quota requirements in the industry are to be abolished.

The announcement, made by the KWV, the co-operative body that supervises the local industry, is the most important reform in the sector in decades. It has been welcomed by producers as a long overdue step that will revitalise the industry and stimulate the production of quality wines.

Introduced in 1956 in an effort to control production in the country, the quota system meant that producers could not grow grapes and manufacture and sell wine without first having a production quota.

Quotas were attached to existing vineyards, so, until the implementation of reforms in 1985, it was not possible to become a wine farmer except by buying out an existing producer. Quotas were also very expensive - as much as R500 (\$131) a tonne in some areas.

The system had a marked detrimental effect on the development of the quality wine industry in South Africa. When quotas were first handed out in the 1950s, the industry was very different from its present form. There was a bias in favour of quantity production, associated with warm, fertile, high yielding areas, and against cooler areas where slower maturation favoured making quality wines. With quotas fixed in areas unsuitable for the production of qual-

ity wines, and no new quotas handed out since 1975, the regulations were an important inhibition to developing the cooler regions.

Mr Tim Hamilton Russell, one of the country's leading wine makers and a leading opponent of the KWV, commented: "The whole system was designed to prevent the development of the quality end of the wine industry."

He said it had allowed the less regulated Californian and Australian wine industries to steal a march on South Africa. Looking ahead, he said the abandonment of quotas would create a freer climate to invest in the wine industry, encouraging especially the people, dedicated to quality, who come to wine "through the glass, not the soil".

Mr Allan Mullins, who heads the wine division of the Woolworths store group, described the announcement as "a fantastic step, a very progressive move". He said it was a brave move by the KWV because most of their shareholders were commodity grape growers who were unlikely to gain, and might well lose, from the initiative.

Probably the main factor which encouraged the KWV to initiate the quota reform was the opening up of new markets to South African products, which has reduced the prospect of significant oversupply.

Despite the latest announcement, the industry remains highly regulated, with the guaranteed minimum price mechanism the most glaring reminder.

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Hudson modernisation will boost output

By Kenneth Gooding, Mining Correspondent

HUDSON BAY, whose Flin Flon metallurgical operations in Manitoba were threatened with closure because they could not meet new environmental regulations, is on course for a substantial expansion and cut in production costs.

A C\$183m (\$39m) modernisation scheme, primarily designed to cope with environmental problems, would also boost annual zinc output from about 50,000 to 100,000 tonnes and copper production from

70,000 to 80,000 tonnes, said Mr Tim Wadsworth, technical director of Minicor, yesterday. Minicor, part of the Anglo American Corporation of South Africa, took over Hudson Bay for US\$95m in August. Canada's federal government has provided a C\$25m loan and the provincial government one of C\$55m towards the modernisation project.

Mr Wadsworth said at a presentation to the Association of Mining Analysts in London that the scheme was likely to be finished ahead of schedule and under budget in 1994. Then Hudson's zinc produc-

tion costs (including credits for by-product metals) would be down from 50 cents a lb to 30 cents, making it one of the world's most competitive producers.

Hudson Bay was spending C\$12m a year on exploration near its nine mines in Manitoba and Saskatchewan and recently more ore had been found at depth at the Trout Lake mine.

Mr Wadsworth said recent exploration work by Minicor's Independence Mining subsidiary might, "if we're lucky", result in a new gold mine and associated plant in Nevada.

Independence had lifted annual exploration spending from US\$11.7m to \$15.2m.

Since Minicor acquired Independence for \$705m from Freeport McMoran in 1990, total reserves and resources had increased by 40 per cent: 2.9m ounces of gold in reserves and 2.7m ounces in resources.

Independence expected to produce 317,218 ounces of gold at a cash cost of \$229 an ounce in the 1991-92 year to generate revenue of \$57 an ounce. This compared with 304,682 ounces at a cost of \$220 and revenue per ounce of \$374 in the previous 12 months.

WORLD COMMODITIES PRICES

MARKET REPORT

PLATINUM led a sharp downturn in the precious metal market yesterday. The white metal surrendered \$7.25 of the \$12 rise registered earlier in the week to reach \$355.25 a troy ounce at the afternoon fixing.

Dealers said the rally, based on reduced fears of heavy Soviet shipments and more hopeful US economic indicators, had been overdone. They also suggested that Japanese investors had sold platinum to cover equity market losses. The London bullion market GOLD price touched \$339.25 an ounce before closing \$31.10 down on the day at \$340.90 an ounce. But traders were predicting that

London Markets

SPOT MARKETS	
Crude oil (per barrel FOB)	50.00
Dubai	51.25-53.50 +0.10
Brent Blend (dated)	51.50-54.50 +0.15
Brent Blend (May)	51.50-54.50 +0.15
WTI (1st am)	51.85-55.00 +0.25
Oil products	
NWE prompt delivery per tonne CIF	+0.10
Gasoline (Gulf)	2005-208
Gas Oil	2100-218
Heavy Fuel Oil	214-216
Naphtha	217-218
Petroleum Argus Estimates	
Other	+0.10
Gold (per troy oz)	340.90
Silver (per troy oz)	410.00
Platinum (per troy oz)	335.25
Palladium (per troy oz)	384.50
Copper (US Producer)	106.44
Lead (US Producer)	37.00
Tin (Kuala Lumpur market)	14.57
Tin (New York)	268.5
Zinc (US Prime Western)	62.00
Cattle (live weight)	111.200
Sheep (live weight)	100.50
Pigs (live weight)	104.70
London daily sugar (raw)	\$216.50
London daily sugar (white)	\$274.00
Tate and Lyle export price	\$235.00
Barley (English level)	£119.50
Maize (US No. 3 yellow)	£149
Wheat (US Dark Northern)	£149
Rubber (May)	55.50
Rubber (Jul)	55.50
Rubber (Jul, RSS No. 1)	55.50
Coconut oil (Malaysian)	5000
Palm oil (Malaysian)	3395.00
Copra (Philippines)	5435.00
Soyabean (US)	1152.00
Cotton "A" Indian	57.50
Wooltops (1st Super)	444.00

the market would soon be re-testing support at \$339 an ounce and might then move back towards the recent six-year low. "Gold doesn't look good and Comex has tried to push it, but if they think Europe is short they are very, very wrong," one dealer said. At the London Metal Exchange COPPER prices fell back from early highs to finish little changed on the day. Dealers said the run-up in copper prices was halted by news that Zambian railway workers had called off their strike. Three months NICKEL met selling and liquidation above the \$7,500 level.

Compiled from Reuters

SUGAR - London POX (\$ per tonne)	
Raw	Close Previous High/Low
May	198.00 193.00 198.00 195.00
Jul	198.00 193.00 198.00 195.00
Oct	198.00 193.00 198.00 195.00
Dec	198.00 193.00 198.00 195.00
Mar	198.00 193.00 198.00 195.00
May	191.00 186.00 191.00 186.00
White	
May	273.00 270.00 273.00 270.00
Jul	273.00 270.00 273.00 270.00
Oct	273.00 270.00 273.00 270.00
Dec	273.00 270.00 273.00 270.00
Mar	273.00 270.00 273.00 270.00
Turnover: 1400 (8647) lots of 5 tonnes	
ICE indicator price (\$/tonne) for 10 day average for Apr 1 1992: 191.54	
COFFEE - London POX (\$ per tonne)	
Close	Previous High/Low
May	857 850 862 862
Jul	857 850 862 862
Oct	857 850 862 862
Dec	857 850 862 862
Mar	857 850 862 862
May	857 850 862 862
Turnover: 1400 (8647) lots of 5 tonnes	
ICE indicator price (\$/tonne) for 10 day average for Apr 1 1992: 191.54	
COTTON - London POX (\$ per tonne)	
Close	Previous High/Low
May	857 850 862 862
Jul	857 850 862 862
Oct	857 850 862 862
Dec	857 850 862 862
Mar	857 850 862 862
May	857 850 862 862
Turnover: 1400 (8647) lots of 5 tonnes	
ICE indicator price (\$/tonne) for 10 day average for Apr 1 1992: 191.54	

COCOA - London POX (\$ per tonne)

Close Previous High/Low	
May	827 819 828 810
Jul	827 819 828 810
Oct	827 819 828 810
Dec	827 819 828 810
Mar	827 819 828 810
May	768 762 768 757
Jul	768 762 768 757
Oct	768 762 768 757
Dec	768 762 768 757
Mar	768 762 768 757
May	768 762 768 757
Turnover: 6883 (7819) lots of 10 tonnes	
ICE indicator price (\$/tonne) for 10 day average for Apr 1 1992: 191.54	
COPPER - London POX (\$ per tonne)	
Close	Previous High/Low
May	857 850 862 862
Jul	857 850 862 862
Oct	857 850 862 862
Dec	857 850 862 862
Mar	857 850 862 862
May	857 850 862 862
Turnover: 1400 (8647) lots of 5 tonnes	
ICE indicator price (\$/tonne) for 10 day average for Apr 1 1992: 191.54	
COTTON - London POX (\$ per tonne)	
Close	Previous High/Low
May	857 850 862 862
Jul	857 850 862 862
Oct	857 850 862 862
Dec	857 850 862 862
Mar	857 850 862 862
May	857 850 862 862
Turnover: 1400 (8647) lots of 5 tonnes	
ICE indicator price (\$/tonne) for 10 day average for Apr 1 1992: 191.54	

LONDON METAL EXCHANGE

Close Previous High/Low	
Aluminium, 99.99% purity (\$ per tonne)	1294.50 1294.50 1294.50
Cash	1294.50 1294.50 1294.50
3 months	1294.50 1294.50 1294.50
6 months	1294.50 1294.50 1294.50
9 months	1294.50 1294.50 1294.50
12 months	1294.50 1294.50 1294.50
Copper, Grade A (\$ per tonne)	1300.00 1300.00 1300.00
Cash	1300.00 1300.00 1300.00
3 months	1300.00 1300.00 1300.00
6 months	1300.00 1300.00 1300.00
9 months	1300.00 1300.00 1300.00
12 months	1300.00 1300.00 1300.00
Lead (\$ per tonne)	1200.00 1200.00 1200.00
Cash	1200.00 1200.00 1200.00
3 months	1200.00 1200.00 1200.00
6 months	1200.00 1200.00 1200.00
9 months	1200.00 1200.00 1200.00
12 months	1200.00 1200.00 1200.00
Nickel (\$ per tonne)	1200.00 1200.00 1200.00
Cash	1200.00 1200.00 1200.00
3 months	1200.00 1200.00 1200.00
6 months	1200.00 1200.00 1200.00
9 months	1200.00 1200.00 1200.00
12 months	1200.00 1200.00 1200.00
Platinum (\$ per tonne)	1200.00 1200.00 1200.00
Cash	1200.00 1200.00 1200.00
3 months	1200.00 1200.00 1200.00
6 months	1200.00 1200.00 1200.00
9 months	1200.00 1200.00 1200.00
12 months	1200.00 1200.00 1200.00
Silver (\$ per tonne)	1200.00 1200.00 1200.00
Cash	1200.00 1200.00 1200.00
3 months	1200.00 1200.00 1200.00
6 months	1200.00 1200.00 1200.00
9 months	1200.00 1200.00 1200.00
12 months	1200.00 1200.00 1200.00
Spot	236.00 408.00
3 months	242.00 413.00
6 months	250.00 413.00
9 months	257.00 413.00
12 months	262.00 413.00
Turnover: 1400 (8647) lots of 5 tonnes	
ICE indicator price (\$/tonne) for 10 day average for Apr 1 1992: 191.54	

New York

Close Previous High/Low	
Gold 100 troy oz. \$/troy oz.	341.2 342.5 341.5 340.1
May	341.2 342.5 341.5 340.1
Jul	341.2 342.5 341.5 340.1
Oct	341.2 342.5 341.5 340.1
Dec	341.2 342.5 341.5 340.1
Mar	341.2 342.5 341.5 340.1
May	341.2 342.5 341.5 340.1
Turnover: 1400 (8647) lots of 5 tonnes	
ICE indicator price (\$/tonne) for 10 day average for Apr 1 1992: 191.54	

HEATING OIL 42,000 US gals, cents/US gal

Close Previous High/Low	
May	5445 5445 5445 5445
Jul	5445 5445 5445 5445
Oct	5445 5445 5445 5445
Dec	5445 5445 5445 5445
Mar	5445 5445 5445 5445
May	5445 5445 5445 5445</

LONDON STOCK EXCHANGE

Equities easier after volatile session

By Steve Thompson

A RELATIVELY steady performance by sterling and modest gains in gilt-edged stocks helped to underpin a fragile equity market still liable to lurch sharply in either direction in response to opinion polls.

At the close, the FT-SE 100 share index settled 3.2 off at 2,405.4, having swung from positive to negative territory during another active trading session dominated by a further batch of big placings and a flurry of small programme trades.

Dealers were encouraged by the level of activity in the market which, although down on Wednesday, the highest of the year so far, remained well

ahead of average levels during the first quarter.

Turnover yesterday totalled 607.2m shares, compared with Wednesday's 701m, and was boosted considerably by sizeable placings of shares in BP and BT.

There was also evidence, according to traders, of exceptionally large selling pressure related to end of the tax-year.

Dealers also mentioned talk of hefty "bed and breakfast" activity selling of "peps" and suggestions of sizeable selling by company directors linked to worries about the increased possibility of a Labour victory in next Thursday's general election.

At the outset of trading, marketmakers, relieved that the latest polls indicated a much

Account Dealing Dates

First Dealing	Second Dealing	Third Dealing
Mar 29	Apr 6	Apr 27
Optim Dealing	Apr 23	May 7
Last Dealing	Apr 24	May 8

*Non-dealing days may take place from 8.30 am to 2.30 pm on the following days.

tighter outcome than the polls of the previous session, hoisted their opening levels and drew in "cheap" buyers, pushing the FTSE up to the day's peak of 2,424.1 within minutes of the opening.

Mid-morning, however, saw the several large blocks of shares come on offer. These tended to cause temporary disruption in the market, as did the programme trades.

Turnover tended to fall away during the afternoon, in spite of hints that an opinion poll published today would show Labour leading the Conservatives by 4 points. The Footsie drifted off to post a 14.5 decline before stabilising and ending the day marginally lower on balance. The late rally was stimulated by Wall Street.

A host of individual features emerged from the market. Fisons, the pharmaceuticals company, moved sharply higher following the appointment of a new chief executive and the re-emergence of stories that Medeva, the fast-expanding pharmaceuticals group, may be preparing a bid.

Vodafone shares gave a ready response to a handful of

buy recommendations, notably from Henderson Crosthwaite and Lehman Brothers, highlighting the first signs of a pick-up in new subscribers for cellular radars. Redland's figures were also given a warm welcome by the market.

Equity strategists remained extremely cautious on the short term outlook for the market. Kleinwort Benson's strategy team, in their April Market Outlook, said that either an outright Tory or Labour win, along with a recovery in US economy and an upturn in UK earnings, should push the Footsie into new high ground by the end of the year.

The election worries produced more strong support for big overseas earners such as Reuters, RTZ and BAT.

Heavy turnover in BP

TURNOVER in BP surged to 54m shares as a block of 14.2m failed to find a home in the UK and eventually needed more enthusiastic US investors.

It is believed that a large institution decided to sell the shares through County NatWest. The securities house was said to have tried unsuccessfully to place them with other UK institutions at around 241p. Salomon Brothers was then said to have bought them at that level to sell on to US institutions. In the past month, the US holding in BP is thought to have risen from 8 per cent to 10 per cent.

The overhang of shares in the market and continuing worries over first-quarter profits, as well as the dividend, knocked BP back 6p at one stage, a substantial fall for the stock. Once the deals were out of the way the shares rallied to close a net 3 down at 248p.

Vodafone in demand

Cellular network operator Vodafone Group ended its recent dismal run as a number of brokers decided that the shares looked cheap. JBS Phillips & Drew, the house broker, reiterated its buy stance as figures for March showed new connection rates at their highest since October 1990.

Henderson Crosthwaite, the agency broker, moved from a sell to a buy, analyst Mr Brian Newman describing the recovery as "the first signs of recovery in demand from new cellular subscribers". Mr Tim Hirst at Lehman Brothers pointed to the fact that Vodafone was approaching its all-time price/earnings ratio low, and was well positioned for economic recovery. The shares improved 4 1/2 to 3 1/2 p in busy turnover of 8.7m.

Ruthven had an influence on the water companies yesterday, with one depressed by its waste disposal activities while two others gained support, in a sector remaining vulnerable to political developments.

Severn Trent slipped 9p to 301p as County NatWest lowered its forecast of profits to March 1992 by 57m to 258m and for the next financial year by 28m to 270m on the poor performance of its Severn waste disposal subsidiary acquired from Biffaward last year.

South West Water picked up 2p to 337p on news that it is to form a joint venture company with a leading Spanish waste

management company. The 50-50 owned company will be known as Peninsula Waste Management.

Wessex Water firmed a penny to 384p. The company is involved in a British joint venture with US-based Waste Management International. The latter is floating 75m shares next week, 20 per cent of its enlarged capital, mainly in London and New York.

Revised bid speculation, and the announcement that a chief executive had been appointed, helped Fisons, which bucked the market to end up at 349p. The Fisons bid talk, which has featured for some time, focused yesterday on Medeva, the fast-growing group headed by former Glaxo chief executive Mr Bernard Taylor. Medeva fell 40 to 251p.

In terms of the appointment, Mr Cedric Scroggs was not the market's first choice, but any disappointment was already in the Fisons share price and observers were relieved at the ending of uncertainty.

Continuing forecast downgrades affected ICI, finally 15 lower at 1224p.

Rises for the UK's two biggest insurance brokers, Sedgwick (up 10 to 214p) and Willis Corroon (9 ahead at 242p), reflected recent dollar strength and hopes of premium increases.

Insurer Sun Alliance was buoyed in early trading by relief that the underlying annual figures were not worse.

The group announced a 548m loss, at the lower end of market estimates. However, it also came out with a positive statement and a stronger than expected balance sheet. Agency broker James Capel reduced its 1992 loss forecast by 50m to 210m. Sun closed unchanged at 250p.

There were few surprises in Redland's results, but the market was pleased that there were no black holes and integration with Steedley could now proceed. Redland moved ahead 17 to 467p in heavy volume of 5m.

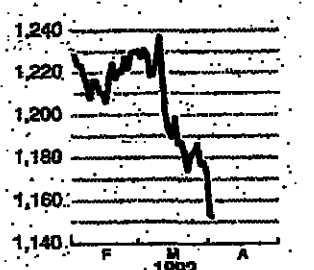
Activity in the hotels sector centred once again on Queens Moat Houses, in which 7.1m shares were traded after Tuesday's 7m Mercury Asset Management was believed to be the big seller yesterday, with Kleinwort Benson reported to have placed the stock with institutions. The shares eased a penny to 757p.

Fortis was weak, as one house found itself caught with some 2m shares on its books as rival marketmakers turned sellers. The shares lost 4 to 222p on turnover of 2.3m.

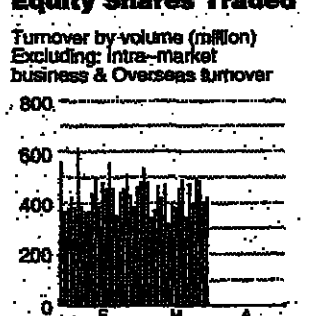
Hoare Goveau reiterated its buy stance on Granada Group and upgraded its 1992 profits forecast by 23m to 211m and 1993 by 28m to 218m on optimism over the group's business services division. The stock gained 4 to 228p.

Packaging and printing group Bowater dropped 25 to 701p as investors sold their nil-

FT-A All-Share Index



Equity Shares Traded



Source: Datastream 1992

100 constituent Siebe depressed the shares 19 to 618p.

Rolls-Royce rose 5 to 154p, boosted by news of engine orders from Thai Airways to power two more Boeing 777 airliners. British Aerospace put on 5 to 300p, lifted by Wednesday's news of an agreement between the US and European Commission over air subsidies.

Submarine builder VSEL traded 30 to 270p as dealers came to the view that a Labour government would not order a fourth Trident submarine.

Simon Engineering fell 8 to 244p over fears of payment difficulties for work the company has carried out in Armenia.

Suggestions that one market-maker had been left holding unwanted Tate & Lyle shares pulled the stock down to 393p in early trading, but the price rallied to 399p to leave a decline of only 2p on the day.

Fisheries retreated 8 to 108p on reporting profits down to 21m from 34m and a provision of 55m for losses involving Macfish, its joint venture with Geest. Unilever advanced 11 to 907p on a buy recommendation from S.G. Warburg and the sale of its animal feed business to Harrison & Crosfield.

MARKET REPORTERS:

Peter John, Joel Kibazo, Christopher Price, Colin Millham.

Other market statistics, Page 21.

FINANCIAL TIMES STOCK INDICES

	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14	Mar 13	Mar 12	Mar 11	Mar 10	Mar 9	Mar 8	Mar 7	Mar 6	Mar 5	Mar 4	Mar 3	Mar 2	Mar 1	Feb 28	Feb 27	Feb 26	Feb 25	Feb 24	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Feb 18	Feb 17	Feb 16	Feb 15	Feb 14	Feb 13	Feb 12	Feb 11	Feb 10	Feb 9	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	Feb 3	Feb 2	Feb 1	Jan 31	Jan 30	Jan 29	Jan 28	Jan 27	Jan 26	Jan 25	Jan 24	Jan 23	Jan 22	Jan 21	Jan 20	Jan 19	Jan 18	Jan 17	Jan 16	Jan 15	Jan 14	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 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16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	Apr 30	Apr 29	Apr 28	Apr 27	Apr 26	Apr 25	Apr 24	Apr 23	Apr 22	Apr 21	Apr 20	Apr 19	Apr 18	Apr 17	Apr 16	Apr 15	Apr 14	Apr 13	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Apr 7	Apr 6	Apr 5	Apr 4	Apr 3	Apr 2	Apr 1	Mar 31	Mar 30	Mar 29	Mar 28	Mar 27	Mar 26	Mar 25	Mar 24	Mar 23	Mar 22	Mar 21	Mar 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28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sep 30	Sep 29	Sep 28	Sep 27	Sep 26	Sep 25	Sep 24	Sep 23	Sep 22	Sep 21	Sep 20	Sep 19	Sep 18	Sep 17	Sep 16	Sep 15	Sep 14	Sep 13	Sep 12	Sep 11	Sep 10	Sep 9	Sep 8	Sep 7	Sep 6	Sep 5	Sep 4	Sep 3	Sep 2	Sep 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	Jul 31	Jul 30	Jul 29	Jul 28	Jul 27	Jul 26	Jul 25	Jul 24	Jul 23	Jul 22	Jul 21	Jul 20	Jul 19	Jul 18	Jul 17	Jul 16	Jul 15	Jul 14	Jul 13	Jul 12	Jul 11	Jul 10	Jul 9	Jul 8	Jul 7	Jul 6	Jul 5	Jul 4	Jul 3	Jul 2	Jul 1	Jun 30	Jun 29	Jun 28	Jun 27	Jun 26	Jun 25	Jun 24	Jun 23	Jun 22	Jun 21	Jun 20	Jun 19	Jun 18	Jun 17	Jun 16	Jun 15	Jun 14	Jun 13	Jun 12	Jun 11	Jun 10	Jun 9	Jun 8	Jun 7	Jun 6	Jun 5	Jun 4	Jun 3	Jun 2	Jun 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May
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33

Phase	+ or -	1991/92	Mile Down	Vid G/s
110	—	221	110.2	4.6
113	—	137	63.2	4.982
320	—	265	275	8.61
320	+24	1214	504	477.7
383	—	191	85	126.1
412	—	474	269	244.3
414	-14	114.5	57.4	14.2
50	—	85	270	145.5
57	—	45	17	6.98
64	—	28	10	3.55
69	—	88	55	2.37
73	—	44	25	1.85
85	—	88	19	64.9
120	—	225.5	672.4	808.6
121	—	225.5	713.3	819.3
121	+1	114.5	55.9	14.2
112	—	18	10.4	6.8
112-2	—	174.5	53.5	682.9
383	—	85	270	145.5
85	—	78	49	1.10
85	—	87.5	15	13.8
120	—	128	120	300.4
182	—	275	275	1.87
1446	-18	1749	864	1.105
875	—	1025	512	2.590
875	—	108	108	6.94
812	+10	888	364	1.36
87	—	177	48	8.89
883	—	883	135	125.5
1876	-25	1378	776	242.3
1124	—	93.5	194.5	4.8
883	—	265	183	118.5
80	—	115	85	74.7
18	—	89	19	2.88
278	—	337	210	58.3
2512	—	38	13	87.7
27	—	28	10	1.2
18	-1	49	19	78.2
877	—	882	355	1.640
49	—	88	35	—
55	—	81.2	24	—
55	—	81	17	67.1
2812	-1/2	42	22	104.1
27	—	26	13	1.4
55	—	81.2	14.2	14.2
27	—	32	20	13.3
7	—	27	10	—
34	—	381.2	191.2	162.9
48	—	83	29	28.6
48	—	83	29	28.6
112	—	13	0.1	1.48
47	—	84	54	83.2
38	—	481.2	185.2	11.2
38	—	47	9	12.3
11412	-2	1181.2	5.6	1.867
18	—	18	2	1.86
18	—	18	2	1.86

105	43	—	—	—	—
106	42	122	98	836.9	5.8
45	42	—	—	—	—
45	41	77	25	74.8	3.8
21 1/2	—	—	2	117	—
53	77	77	45	251.2	—
122	—	123	93	708.1	—
18	—	30	10	—	—
280	—	323	186	412.8	7.3
18	—	—	—	—	—
1 1/2	—	1 1/4	0 1/4	1.14	—
180	—	242	136	82.1	12.1
18	—	32	13	28.1	—
2 1/2	—	2 1/2	1	6.46	—
21 1/2	—	289	153	2,829	—
8	—	8	0 1/2	1.57	—
31	—	31	20	2.84	12.3
81	—	81	45	94.5	1.2
27	—	27	27	184.2	2.5
170	—	170	130	17.1	1.3
7	—	83	8	1.68	—
27	—	83	23	1.28	—
41 1/2	—	81 1/4	3 1/4	—	—
19 1/2	— 1/2	18	6	1.76	—
2 1/4	—	2 1/4	3	5.08	—
82	—	29 1/4	21 1/2	2.34	—
19	—	12	12	2.37	—
23	—	54	15	1.21	—
4	—	19	2	—	—
4 1/4	—	11 1/2	4 1/4	3.58	—
8	—	28	6	3.59	—
19	—	18	1 1/4	8.4	—
4 1/4 1/8	—	19	3	1.82	—
19	—	34	11	2.40	—
7	—	23	7	—	—
4 1/4	— 1/4	15 1/4	13 1/4	207.7	2.8
87 1/4	—	111 1/4	67 1/4	782.9	1.5
43	—	43	36	18.7	—
30	—	48	32	50.7	—
41 1/2	—	26	31 1/2	4.32	—
20	—	26	15	3.20	—
30	—	38	37	8.5	—
3	—	18	2	1.81	—
5	—	188	51	—	—
8	—	23	6 1/4	8.6	—
3	—	4	9	4.18	—
87 1/2	— 3/4	806	404	8,788	4.5
1	— 1/4	10	1	1.53	—
—	—	7	15 1/2	—	—
35 1/2	—	133	25	32.7	19.8

and compares other than starting. Also is indicated in the statement above by the reason taken out to a guide to the start and therefore others are published on the identity. It is calculated separately for each line of stock owned. The rates shown on listed interest accounts and accounts based on net-worth figures. IfRS are calculated on "net" or other basis being calculated on profit after taxes, after expenses and adjusted to the amount after applicable. Yields range from 4.0% to 25.0 per cent and allow for the use of stock and equity.

(MAY) are shown for Investment Trusts. In place per share amounts (DEB) or amounts (PE) is the current MNAV basis. Some past changes at all times.

Amounts received of different orders.

Other traded stocks. The Includes US (stock) which are published continuously through the Stock Questionnaire (FEAD), and non-4K stocks which are not reported.

There have been adjustments to allow for rights issues for the (or) or (received).

Amounts of deferred amounts on application and

Amounts contributed under form 552(4)(6)

See Exchange and company not subjected to same level of disclosure.

[illegible]

at 38p per minute cheap rate
minute at all other times.

Company classifications are based on those used for the FT-Actuaries indices and

Estimated three-month rates are based on latest annual reports and accounts.

and, where feasible, are updated on five-yearly intervals. Prices are calculated on a "distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

shares, along with the percentage discounts (Dis) or premiums (Pm-) to the current pre-clearing share price. The NAV basis ignores prior charges at par value, convertible converted and warrants exercised if dilution occurs.

Highs and lows marked thus have been adjusted to allow for rights issues

- 1 Interim since increased or resumed
- 2 Interim since reduced, passed or deferred
- 3 Tax-free to non-students on application
- 4 Figures or report omitted
- 5 Not officially UK listed companies permitted under rule 5554(a)

- degree of regulation as listed securities.
- Not officially UK listed, dealings permitted under Rule 535(2)
- Price at time of suspension
- Imputed dividend yield after pending scrip and/or rights issue.
- Merger bid or reorganisation in progress

Yield based on annualized dividend
 * Subject to local tax.
 † Dividend yield includes official estimates for 1991-92.

prospectus or other official estimate.
c Cents.
f Flat yield.
g Adjusted dividend

h Assumed dividend yield after scrip issue.
i Rights issue pending
j Earnings based on preliminary figures.
k Pending scrip and/or rights issue.
l Yield based on prospectus or other official estimates for 1981.
m Forecast annualised yield, pre based on prospectus or other official estimates.

Y Dividend yield
X Excludes a special
payment
I Indicated dividend
yield, p/e ratio based on
last annual earnings
K Yield based on
prospective or other
official estimates for
1992-93
L Estimated reinvestment
rate
M Pro forma figures
N Dividend yield to date
O Abolition of ex-dividend
rule

<p> <input type="checkbox"/> Yield, or earnings annualized dividend yield, p/e based on previous year's earnings. </p>	<p> <input type="checkbox"/> Yield, p/e based on latest annual earnings. </p>	<p> <input type="checkbox"/> Yield based on prospectus or other </p>	<p> <input type="checkbox"/> Yield based on ex stock split, w ex rights, ex ex alt, or ex capital distribution. </p>
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Continued on next page

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OCNPL BFR	24,407	6,000	24.978	1.049	-0.001
OCNPL PFR	1,619.6	4,400	2.778		
OCNPL HKS	340,505	6,000	56.750		
OCNPL LPS	154.9	4,400	3.520		

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar awaits crucial figures

THE DOLLAR dropped by more than a penny in an uncertain market as dealers trimmed long positions and adopted a defensive stance before today's crucial US jobs data, writes Neil Buckley.

Dollar optimism was dented yesterday by disappointing weekly jobless claims figures, which showed a rise of 9,000 to 456,000, compared with the slight fall that had been expected. However, factory orders rose 0.5 per cent, slightly above expectations.

Dealers are looking for today's March non-farm payroll figures to provide further evidence that a US economic recovery is really under way and will not falter as it did last year. They said a strong recovery could propel the dollar through resistance at DM1.6625 towards DM1.67, and possibly through the Y135 barrier. Most estimates are of an increase of 20,000 to 70,000, with the average at around 45,000, although some analysts are more cautious.

"There's certainly a lot of pessimism around and everyone is concentrating on what could go wrong with the figures," said Mr Steven Barrow, treasury adviser at Chemical Bank.

The dollar drifted to DM1.6550 and Y135.90 at the close, having reached highs of DM1.6591 and Y134.98 in the morning. These early tests of upside resistance were fuelled by another weak performance by Japanese stocks, with the Nikkei index dropping a further 1.59 per cent, after a 3.95 per cent slide on Wednesday.

However, unfounded rumours that the Bundesbank might be about to raise interest rates injected a note of caution into the market, which persisted even when German rates remained unchanged.

In Tokyo, the dollar had also fallen back after an early surge, closing at DM1.6550 and Y135.90 after New York closed at DM1.6580 and Y134.50/50 on Wednesday.

The French franc surged to a nine-month high against the D-mark after Mr Pierre Bergey, finance minister, replaced

Mrs Edith Cresson as prime minister - a move warmly welcomed by the markets. Mr Bergey is respected for his tough monetary stance and promotion of a stable franc.

The franc opened at FF337.70/73 in lively trading. Sterling fell towards the close, although dealers said this was mainly because it had come under pressure on the cross as the dollar lost ground against the D-mark, rather than because of any inherent weakness. Two opinion polls contradicting the decision led given to the opposition Labour party by three polls on Wednesday had earlier improved sterling sentiment. It closed at DM2.8481/85 after a DM2.8493/85 close on Wednesday.

Against the dollar, sterling rose more than half a cent to \$1.7300, from \$1.7240.

EMS EUROPEAN CURRENCY UNIT RATES

	Unit	Central	% Change	% Spread	Divergence
Spanish Peseta	166.63	166.63	-0.01	0.01	0.01
Belgian Franc	20.36	20.36	-0.01	0.01	0.01
Dutch Guilder	2.20	2.20	-0.01	0.01	0.01
Italian Lira	200.48	200.48	-0.01	0.01	0.01
French Franc	6.55	6.55	-0.01	0.01	0.01
German Mark	1.00	1.00	-0.01	0.01	0.01
Swedish Krona	4.66	4.66	-0.01	0.01	0.01
Portuguese Escudo	200.48	200.48	-0.01	0.01	0.01
Irish Punt	7.88	7.88	-0.01	0.01	0.01
Spanish Peseta	166.63	166.63	-0.01	0.01	0.01
Belgian Franc	20.36	20.36	-0.01	0.01	0.01
Dutch Guilder	2.20	2.20	-0.01	0.01	0.01
Italian Lira	200.48	200.48	-0.01	0.01	0.01
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Irish Punt	7.88	7.88	-0.01	0.01	0.01

Central rates in the EMS European Currency Unit. Percentages change are for the month. Percentages change are for the month. Percentages change are for the month.

POUND SPOT - FORWARD AGAINST THE POUND

Age 2	Day's return	Class	One month	p.a.	Three months	p.a.	
US	1.7218	1.7295	1.7395	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Yen	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
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DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
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DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
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DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
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Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
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FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
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FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
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FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70	0.64-0.82pm	1.45	2.89-3.25pm	6.64
Y	135.90	135.90	135.90	0.64-0.82pm	1.45	2.89-3.25pm	6.64
DM	2.8481	2.8481	2.8481	0.64-0.82pm	1.45	2.89-3.25pm	6.64
FF	337.70	337.70	337.70				

CANADA

Index	Stock	High	Low	Close	Chng	Index	Stock	High	Low	Close	Chng	Index	Stock	High	Low	Close	Chng
TORONTO																	
2:00 pm prices April 2																	
Quotations in cents unless marked \$																	
1500 Alcan	1515 1/2	1515 1/2	1515 1/2	1515 1/2	0	1500 Alcan	1515 1/2	1515 1/2	1515 1/2	1515 1/2	0	1500 Alcan	1515 1/2	1515 1/2	1515 1/2	1515 1/2	0
2000 Air	2015 1/2	2015 1/2	2015 1/2	2015 1/2	0	2000 Air	2015 1/2	2015 1/2	2015 1/2	2015 1/2	0	2000 Air	2015 1/2	2015 1/2	2015 1/2	2015 1/2	0
3000 Borel	3015 1/2	3015 1/2	3015 1/2	3015 1/2	0	3000 Borel	3015 1/2	3015 1/2	3015 1/2	3015 1/2	0	3000 Borel	3015 1/2	3015 1/2	3015 1/2	3015 1/2	0
4000 Borel	4015 1/2	4015 1/2	4015 1/2	4015 1/2	0	4000 Borel	4015 1/2	4015 1/2	4015 1/2	4015 1/2	0	4000 Borel	4015 1/2	4015 1/2	4015 1/2	4015 1/2	0
5000 Borel	5015 1/2	5015 1/2	5015 1/2	5015 1/2	0	5000 Borel	5015 1/2	5015 1/2	5015 1/2	5015 1/2	0	5000 Borel	5015 1/2	5015 1/2	5015 1/2	5015 1/2	0
6000 Borel	6015 1/2	6015 1/2	6015 1/2	6015 1/2	0	6000 Borel	6015 1/2	6015 1/2	6015 1/2	6015 1/2	0	6000 Borel	6015 1/2	6015 1/2	6015 1/2	6015 1/2	0
7000 Borel	7015 1/2	7015 1/2	7015 1/2	7015 1/2	0	7000 Borel	7015 1/2	7015 1/2	7015 1/2	7015 1/2	0	7000 Borel	7015 1/2	7015 1/2	7015 1/2	7015 1/2	0
8000 Borel	8015 1/2	8015 1/2	8015 1/2	8015 1/2	0	8000 Borel	8015 1/2	8015 1/2	8015 1/2	8015 1/2	0	8000 Borel	8015 1/2	8015 1/2	8015 1/2	8015 1/2	0
9000 Borel	9015 1/2	9015 1/2	9015 1/2	9015 1/2	0	9000 Borel	9015 1/2	9015 1/2	9015 1/2	9015 1/2	0	9000 Borel	9015 1/2	9015 1/2	9015 1/2	9015 1/2	0
10000 Borel	10015 1/2	10015 1/2	10015 1/2	10015 1/2	0	10000 Borel	10015 1/2	10015 1/2	10015 1/2	10015 1/2	0	10000 Borel	10015 1/2	10015 1/2	10015 1/2	10015 1/2	0
11000 Borel	11015 1/2	11015 1/2	11015 1/2	11015 1/2	0	11000 Borel	11015 1/2	11015 1/2	11015 1/2	11015 1/2	0	11000 Borel	11015 1/2	11015 1/2	11015 1/2	11015 1/2	0
12000 Borel	12015 1/2	12015 1/2	12015 1/2	12015 1/2	0	12000 Borel	12015 1/2	12015 1/2	12015 1/2	12015 1/2	0	12000 Borel	12015 1/2	12015 1/2	12015 1/2	12015 1/2	0
13000 Borel	13015 1/2	13015 1/2	13015 1/2	13015 1/2	0	13000 Borel	13015 1/2	13015 1/2	13015 1/2	13015 1/2	0	13000 Borel	13015 1/2	13015 1/2	13015 1/2	13015 1/2	0
14000 Borel	14015 1/2	14015 1/2	14015 1/2	14015 1/2	0	14000 Borel	14015 1/2	14015 1/2	14015 1/2	14015 1/2	0	14000 Borel	14015 1/2	14015 1/2	14015 1/2	14015 1/2	0
15000 Borel	15015 1/2	15015 1/2	15015 1/2	15015 1/2	0	15000 Borel	15015 1/2	15015 1/2	15015 1/2	15015 1/2	0	15000 Borel	15015 1/2	15015 1/2	15015 1/2	15015 1/2	0
16000 Borel	16015 1/2	16015 1/2	16015 1/2	16015 1/2	0	16000 Borel	16015 1/2	16015 1/2	16015 1/2	16015 1/2	0	16000 Borel	16015 1/2	16015 1/2	16015 1/2	16015 1/2	0
17000 Borel	17015 1/2	17015 1/2	17015 1/2	17015 1/2	0	17000 Borel	17015 1/2	17015 1/2	17015 1/2	17015 1/2	0	17000 Borel	17015 1/2	17015 1/2	17015 1/2	17015 1/2	0
18000 Borel	18015 1/2	18015 1/2	18015 1/2	18015 1/2	0	18000 Borel	18015 1/2	18015 1/2	18015 1/2	18015 1/2	0	18000 Borel	18015 1/2	18015 1/2	18015 1/2	18015 1/2	0
19000 Borel	19015 1/2	19015 1/2	19015 1/2	19015 1/2	0	19000 Borel	19015 1/2	19015 1/2	19015 1/2	19015 1/2	0	19000 Borel	19015 1/2	19015 1/2	19015 1/2	19015 1/2	0
20000 Borel	20015 1/2	20015 1/2	20015 1/2	20015 1/2	0	20000 Borel	20015 1/2	20015 1/2	20015 1/2	20015 1/2	0	20000 Borel	20015 1/2	20015 1/2	20015 1/2	20015 1/2	0
21000 Borel	21015 1/2	21015 1/2	21015 1/2	21015 1/2	0	21000 Borel	21015 1/2	21015 1/2	21015 1/2	21015 1/2	0	21000 Borel	21015 1/2	21015 1/2	21015 1/2	21015 1/2	0
22000 Borel	22015 1/2	22015 1/2	22015 1/2	22015 1/2	0	22000 Borel	22015 1/2	22015 1/2	22015 1/2	22015 1/2	0	22000 Borel	22015 1/2	22015 1/2	22015 1/2	22015 1/2	0
23000 Borel	23015 1/2	23015 1/2	23015 1/2	23015 1/2	0	23000 Borel	23015 1/2	23015 1/2	23015 1/2	23015 1/2	0	23000 Borel	23015 1/2	23015 1/2	23015 1/2	23015 1/2	0
24000 Borel	24015 1/2	24015 1/2	24015 1/2	24015 1/2	0	24000 Borel	24015 1/2	24015 1/2	24015 1/2	24015 1/2	0	24000 Borel	24015 1/2	24015 1/2	24015 1/2	24015 1/2	0
25000 Borel	25015 1/2	25015 1/2	25015 1/2	25015 1/2	0	25000 Borel	25015 1/2	25015 1/2	25015 1/2	25015 1/2	0	25000 Borel	25015 1/2	25015 1/2	25015 1/2	25015 1/2	0
26000 Borel	26015 1/2	26015 1/2	26015 1/2	26015 1/2	0	26000 Borel	26015 1/2	26015 1/2	26015 1/2	26015 1/2	0	26000 Borel	26015 1/2	26015 1/2	26015 1/2	26015 1/2	0
27000 Borel	27015 1/2	27015 1/2	27015 1/2	27015 1/2	0	27000 Borel	27015 1/2	27015 1/2	27015 1/2	27015 1/2	0	27000 Borel	27015 1/2	27015 1/2	27015 1/2	27015 1/2	0
28000 Borel	28015 1/2	28015 1/2	28015 1/2	28015 1/2	0	28000 Borel	28015 1/2	28015 1/2	28015 1/2	28015 1/2	0	28000 Borel	28015 1/2	28015 1/2	28015 1/2	28015 1/2	0
29000 Borel	29015 1/2	29015 1/2	29015 1/2	29015 1/2	0	29000 Borel	29015 1/2	29015 1/2	29015 1/2	29015 1/2	0	29000 Borel	29015 1/2	29015 1/2	29015 1/2	29015 1/2	0
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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued on next page

Bond auction limits gains in French equities


Japan at lowest level since December 1986

interest rates were raised. The 75-share index closed down 74.41 or 1.8 per cent at 3,987.77.

Belgian ills laid at door of German intransigence

Pessimism in Brussels sprouts from corporate fears of a tightening in fiscal policy, writes **Andrew Hill**

debt and the bourse's liquidity problem in one go.



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RECRUITMENT

JOBS: Request to readers generates more heat than light over question of the value of formal education

Central skills that most lessons neglect

THE meaning of the crudely drawn chicken would be clear enough even without the date beneath showing precisely where the charge of cowardice is aimed. Whoever sent the drawing was referring to the Jobs column's failure to fulfil its promise to report on the response to a request it put to readers 16 weeks ago.

The focus of the request was education, and my hope in making it was that readers would shed light on a question I was unable to resolve during my 20 years as the FT's education correspondent up to 1988. The question is what practical use is the process, except as a source of the academic examination passes often arbitrarily deemed necessary for entry into well paid lines of career?

So I asked you to think of the teachers you had in your formal education, and identify those who taught you something of actual use to you now.

The response was 23 letters, which made up for their modest numbers by being sometimes several thousand words long. And what probably accounts for the chicken is that a good quarter of those who wrote were contentious if not downright belligerent in tone - including one signing himself just

"Joe Soap" who, for all I know, may fancy his skill as a cartoonist to boot.

The nub of the warlike eight letters was that the only proper response to anybody who poses such queries about education, is the one reputedly given by Pats Waller to a woman who asked what rhythm was: "If you has to ask, you ain't got it." In their view, it seems, the benefits of education are such that no one who has gained them needs to question them, and anyone who hasn't would not understand the answer anyway.

Well, perhaps so... but it strikes me at least as a claim that endows educational processes with superhuman properties that they surely do not possess. It appears to be elevating them to the status of God in a church poster I once saw which read: "A God small enough for everybody's understanding would not be big enough for everybody's needs." But while that may be true of the Almighty, it can scarcely apply to education.

After all, it is a process both

made and carried on by fallible human beings. Moreover, one of its professed purposes is to enable mere humans to understand such things.

Fortunately, from my viewpoint, the holier-than-thou ripostes were in the minority. The other 15 who wrote reflected in detail on their experience at school, university and so on, as I had asked. Most of them also accepted that, although the aims of education go beyond the practical, including spiritual and other civilising development, the process ought to teach us something specifically useful too.

The most depressing reply was from a man who had built up his own international consultancy, thereby earning enough money to retire at an age to enjoy his leisure. He'd looked back on his years at school and university, he said, but could recall little of positive note. "One or two teachers showed moments of kindness, and one even liked the fact that I was intelligent and knowledgeable, but mostly as I try to remember I just feel time-crammed revulsion."

By contrast, the remaining 14 could all identify teachers - albeit not always by name - who had taught them something still of practical help. The only trouble was that, far from shedding fresh light on the question I failed to resolve in two decades as an education correspondent, they just duplicated what I had found from putting the same request to some hundreds of people during those years.

As before, none of the people who replied identified more than four teachers who had equipped them with something of actual use now, and the majority recalled at best three. Those cited usually included one or two at the primary stage who had imparted the basic skills of reading, writing and numbering. In the case of those at later stages, the useful thing that had been taught often had little if any direct connection with the academic subject the teacher was employed to teach.

For example, one reply cited "the chemistry master who introduced me to Plato", as well as the

head of a school who led a weekly current-affairs seminar in which he insisted on his pupils' developing public-speaking skill. (Which leads me to hope that some of them have gone on to teach in the university attended by another of the 14, which he described as "...an ill organised school where one was expected to sit for an hour listening to a poor public speaker reading aloud from a book.")

So despite readers' efforts, I am stuck with the same impressions that I had before they made them. One, in particular is that, since people who have as many as 40 teachers seem unable to cite more than four who taught something still useful, the teaching process is of dubious efficiency. A second, more general, is that education is at best dimly understood.

But the fact that the original question remains unresolved does not make it any the less important. The truth is quite the reverse.

One reason is that the foremost benefit of education to at least some of its recipients - that of awarding them exam passes which

serve as a passport into well paid lines of career - has been devalued by the latest recession. In Britain at any rate, even honours degrees are now a drug on the jobs market unless they are seen as directly applicable to productive work.

In which case, the effectiveness of education in teaching things of actual use is more central than it was before. And it is especially so in Britain with the approach of a general election in which all the main parties are committed to maintaining if not increasing the amounts of taxpayers' money spent on educational processes. Given their apparently low efficiency in equipping people with practical abilities, how can a country on its uppers be confident the investment will have a worthwhile return?

The onus is now surely on those who advocate high spending to show how the expected pay-off will be achieved. What is more, if I may return to the holier-than-thou set for a moment, the necessary justification will not be achieved simply by stating that education's purpose is to equip people, not

merely for work, but for life. As it functions at present, it does not. Anyone who refuses to take just my word for that might care to read a book by Professor Jeffrey Pfeffer of Stanford University management school in America, newly published under the title of *Managing With Power* by the Harvard Business School Press.

One of his observations is that, at work and still more so in life as a whole, we spend most time in operating not as individuals but as members of groups, and in making and being affected by decisions about things that are very complex. He goes on: "The point is that decisions in the world of organizations are not like decisions made in school. There, once you have written down an answer and turned in the test, the game is over."

In real life, he adds, success depends less on the intellectual ability to work out what notionally should be done, but on the skills of learning from what actually happens as a result of agencies outside oneself, and working usually in combination with other people to turn those real-life events to use. In other words, the central skills are practical.

Michael Dixon

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Budget extravaganza and electoral headache

By Andrew Jack

WHILE THE announcement of the general election may have caused some parliamentary stomachs to churn in Westminster, it has also generated a bout of gleeful hand-rubbing among tax accountants.

A combination of the Budget, electoral uncertainty, and new-found aggressive marketing have created a platform during the last few weeks by which tax practices have gained a higher profile and sold more services than probably ever before.

While the heyday of Budget-related marketing may now have been passed, the prospects of a change of government have given business a strong compensatory boost.

Arthur Andersen was the first firm to land a slim summary of the Budget proposals in this writer's in-tray first thing in the morning after the Chancellor's speech, with the ink barely dry. The booklet - produced in conjunction with the Confederation of British Industry - was arriving in Volvo showrooms and Holiday Inns at the same time.

Other firms have been equally aggressive. Touche Ross had copies of its guide to the budget on the Q&E2 and other Conard ships the following day. Salvoes from other firms generated healthy income for the Royal Mail. There were evening presentations and next-day breakfasts for clients and journalists alike.

The reason for the gimmickry is simple. As Mr John Barnsley, head of tax at Price Waterhouse, puts it: "Tax is very big business. Internationally it pulled us more than \$1bn last year." Two years ago his firm sent its Budget day analysis by computer to New

York, where it was printed and ready for the evening Concorde flight back to London.

If media references are anything to go by, the Budget has pushed the profession into higher prominence than ever. Last month the top six accountancy firms were mentioned in 108 national newspaper articles on the budget. That compared with only 60 references for the same period last year and 54 in 1990. (Coopers topped the 1992 list, followed by Touche Ross and Ernst & Young.)

As the firms hold their post-mortems on the marketing success of budget day, most are subdued. Mr Roger White, head of tax at KPMG Peat Marwick, points out that his firm's post-budget briefing was deliberately "de-glossified" this year and that it has abandoned the "lavish entertainment" of the past.

That is due partly to a budget with a fewer significant changes than in previous years, and with fewer still translated into legislation in the Finance Act. It also reflects thinking that a new Budget may follow later in the year.

The extravaganza has also become something of a victim of the relaxation of rules on marketing and advertising by the profession in the mid-1980s. Before then, it was one of the few chances accountants had to get their name out to the public. Now, in an era of intense price competition and ethical guidelines that allow firms to indulge in cold-calling, budget breakfasts look positively old-fashioned.

"We have discussed abandoning the budget booklet, but the feeling is that

our clients like to receive it," says Mr David Marks, a tax partner with marketing responsibilities at Arthur Andersen.

He says the booklet coincides with a more detailed internal document distributed to tax partners, which helps them instruct clients personally.

That view is shared by Mr Peter Collier, chief executive of the Charter Group, which provides professional support services to small accountancy firms. Last month one of the services was 35,000 copies of a budget summary distributed to client firms' doorsteps the morning after.

"There are two schools of thought," he says. "Everybody does a Budget summary, so why bother?" or "If we're not doing one and everyone else is, there is a danger of not keeping our profile high enough."

Most firms in his group have taken the latter view, much to his surprise. "There are more important ways to show clients value for money, but it's very easy to be noticed as the one firm in, say, Rotherham which didn't produce a summary."

Even so, more subtle, discriminating marketing techniques still make great play of the Budget and its corollaries. Mr Barnsley of PW is sceptical about the spate of skimpy instant publications produced by accountants. This year he established a media hotline for the shadow Budget, which provided advice to journalists interpreting the proposals.

He says the firm has also been quietly advising the major political parties about the implications of tax changes, while treading a delicate line in striving to remain apolitical and to

ensure that its comments do not impinge on work for clients.

Coopers & Lybrand Deloitte earlier this week provided free of charge to national newspapers a detailed analysis of the fiscal "holes" it believes exist in the manifesto.

While the Budget may have had a subdued impact on accountancy firms, the strong possibility of a Conservative defeat in the election has helped increase work for their staff beyond the advice that is normal at the end of the tax year.

Mr Peter Wyman, a tax partner with Coopers & Lybrand Deloitte, says: "People are now very worried. Up until the last two weeks they somehow thought the Conservatives were going to get back in. Now, if they are not panicking, they are certainly concerned."

MAL, the financial services group, admitted at the start of the week that it is paying bonuses to more than 300 staff in one of its money broking subsidiaries in gold bars through Jersey. That makes the payments exempt from National Insurance contributions.

BHS, the retailer, has emerged as one of the latest in a series of employers to be paying bonuses to senior managers before the year end, which would escape any rises in income tax under Labour.

At the same time there is evidence that some companies are deferring capital expenditure in the hope of greater tax relief under Labour - a consideration that is also delaying the prospects for economic recovery.

Accountants are reporting an increase in inquiries as news of such

tactics trickles out. Mr Maurice Parry-Wingfield, national technical tax partner at Touche Ross, estimates that the election has generated perhaps five times the level of interest and activity normal at this time of year, and even three times that of the previous general election in 1987, when a Tory victory seemed more probable.

It is not all good news for the tax practitioners this year, however. Mr Norman Lamont's Budget promised a shift from quarterly to monthly VAT remittances for the largest payers as part of moves to help progress towards the single European market. Several accountancy firms will be among the businesses required to provide cash more frequently.

The proposal to bring together both the budget and the government's expenditure plans in December for future years (which has been echoed by the opposition parties) also means trouble for some accountancy firms. That month is one of the busiest of the year for audit work, and it will place considerable additional demands on staff already coping with extra tax work.

Mr Peter Wyman from Coopers is one partner who concedes that a Labour victory would probably be good for his firm. Tax legislation is likely to be more complicated, and higher rates are likely to encourage more people and companies to seek advice on avoidance strategies.

Much, however, that the Labour party would give indirectly to the accountancy firms through new tax legislation, it might well recoup directly in extra corporate and income taxes.

FINANCIAL TIMES FRIDAY APRIL 3 1992

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Please write, enclosing a full career/salary history and daytime telephone number, to David Rogg FCA quoting reference H/25/F.

Controller / Financial Analyst

The ABB Asea Brown Boveri Group is an electrotechnical company with global operations. Earnings after financial items were US\$ 1,153 million and revenues US\$ 28,883 million in 1991. Net income totalled US\$ 809 million in 1991.

ABB develops, produces, sells and services systems and products in a wide range of areas generally related to the production, distribution, and application of electricity. Its principal activities are in the fields of power generation plants for primary energy, high-voltage transmission of electricity and medium and low-voltage distribution. These three segments together contribute almost half of total sales. Further areas of activity are the production of high-speed trains, locomotives and urban transportation systems, electrical drives and process automation, among others.

To complete our "Corporate Finance Group" at ABB's world-wide headquarters in Zürich, we are looking for a Controller/Financial Analyst with a solid theoretical background in finance and practical experience in Treasury/Finance (approx. five years). The ideal candidate should also have good analytical skills in finance, a good understanding of group accounting and a capability to overview complex operations. Integrity, cooperative talents, excellent communication skills as well as a good working knowledge of English and German are essential. Spanish would be an additional asset. Flexibility to travel to a certain extent is a must.

The main responsibilities of our future Controller/Financial Analyst will include: capital rationalization, proposals for capital allocation and reallocation, policy issues of financial risks, cooperation to achieve an optimal debt structure in the Group, performance control and the safeguarding of investments from political risks.

If this challenging job in a dynamic and multi-national environment interests you and you are willing to relocate to Switzerland, we kindly invite you to send your resume/c.v. to the below mentioned address. For further information, please do not hesitate to contact Mr. Ramón Fretz tel. +41 1 317 78 76

Ramón Fretz
ABB Asea Brown Boveri Ltd.
P.O. box 8131

CH-850 Zürich
Switzerland

ABB
ASEA BROWN BOVERI

FINANCIAL MANAGEMENT NHS TRUSTS

Brentwood

Package to £35,000

This is a new opportunity arising from the setting up of a National Health Service Management Executive Outpost to monitor and advise the NHS Trust Hospitals. The NHSME Outposts will provide channels of communication between the Trusts and the NHS Management Executive to facilitate the implementation of change in the Health Service. At present the area covers around 35 Trust hospitals.

Reporting to the Finance Director, you will be involved in financial analysis and capital project and business plan appraisals, ensuring that each Trust bases its financial planning on sound business principles. Where specific problems arise you will be required to present your conclusions and to offer constructive advice and assistance to enable the Trusts to

develop their corporate policies and achieve their objectives.

Candidates are likely to be aged between 25 and 45 and must be qualified, computer literate accountants with experience of financial and business analysis. This experience could have been gained in the Health Service or in commerce. Applicants must be of graduate calibre and possess perceptive, enquiring minds. Excellent communication and presentation skills are essential, as is the ability to form effective working relationships with a wide range of people.

Please send a full CV, including salary history and daytime telephone number, quoting reference 3237, to Vivienne Hines, Touche Ross Executive Selection, at the address below.

**Touche
Ross**

MANAGEMENT CONSULTANTS

1st Floor, Hill House, 1 Little New Street,
London EC4A 3TR. Telephone: 071 936 3000.

FINANCIAL
TIMES
&
ROBERT
HALF
INVITE
YOU TO A
FREE
BUSINESS
BREAKFAST

If you wish to attend either of the Free Business Breakfasts please write to the appropriate office below.

Jackie Bressington
Robert Half, Freeport, 33 Wine Street,
Bristol BS1 2JX
Telephone: 0272-252572

Southampton - Lynne Kelsey
Robert Half Freeport,
The Cartwrights New Road,
Southampton SO9 1BQ
Telephone: 0703-233300

Please note the Breakfasts are strictly limited.

**ROBERT
HALF**
THE HUMAN FACTOR

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

HOW TO MAKE ACCOUNTANCY RECRUITMENT MORE EFFECTIVE

In Southampton on Wednesday 29th April 1992,
at The Hilton National, Bracken Place, Chilworth,
Southampton. 8.15am - 9.30am

In Bristol on Tuesday 12th May 1992,
at The Grand Hotel, Broad Street, Bristol. 8.15am - 9.30am

This Financial Times Breakfast Briefing is designed for all those involved in the recruitment of Accountants. The talk will be given by Jeff Groat, joint UK Managing Director of Robert Half, and will cover:

- CHARACTERISTICS OF THE CURRENT ACCOUNTANCY JOB MARKET
- WHAT ACCOUNTANTS ARE LOOKING FOR
- ACCOUNTANCY SALARIES
- WHERE TO ADVERTISE AND HOW
- MAKING THE INTERVIEW MORE EFFECTIVE
- THE ROLE OF RECRUITMENT CONSULTANCIES

A specialist in accountancy recruitment for more than 10 years, Jeff Groat is a frequent contributor to various newspapers and journals on the subjects of job hunting and recruitment. A regular speaker, he has been a guest on numerous radio and television programmes. He has advised many companies on how to improve their recruitment process and has presented in-house recruitment seminars and interview workshops for companies such as Marks & Spencer, Vickers, Guinness, Lloyds Bank, Shandwick and Banque Paribas.

Michael Spedding, Group Financial Controller, MAI plc 'An excellent presentation on recruiting Accountants in today's job market.'

Graham Conlon, Personnel Manager, MEPC plc 'Valuable and enjoyable.'

Ian Freeman, Financial Controller, Black & Decker 'Very good, well expressed seminar which was definitely worth attending.'

Jim Whitfield, Director of Financial Services, British Steel plc 'Time well spent, very useful refresher course. Excellent.'

Peter Knight, Group Chief Accountant, Willis Corroon 'Most impressive. I look forward to the next one.'

Carmel Ryan, Personnel Manager, Lyons Tetsley 'Very useful, even for Personnel.'

Cathy Knapp, Staff Development Manager, Chantry Vellacott 'Not just enjoyable, but extremely informative.'

Richard Piper, Director, UK Finance, Logica 'Both entertaining and informative.'

هكذا من أجل

Finance Manager

Consumer Electronics

c.£33,000 + Bonus + Car

Berks

Top finance job in newly created specialist sales and marketing operation of progressive high-tech group. Diverse financial management responsibilities in stimulating environment.

THE COMPANY

- ◆ Well known British group. High profile, profitable, service orientated business.
- ◆ Newly established business unit to identify and stimulate consumer sales opportunities.
- ◆ Financially sound, rapidly expanding. Offers excellent career prospects.

THE POSITION

- ◆ Advise and support senior management on all financial and commercial matters particularly through development phase.
- ◆ Wide ranging ongoing role covering financial and management reporting, budgets and forecasts, analyses, pricing and credit control.

- ◆ Encouraged to contribute to strategic planning issues. Liaise internally at group level and externally with customers and suppliers.

QUALIFICATIONS

- ◆ Qualified accountant aged 28-35. Effective finance manager with strong analytical skills.
- ◆ Knowledge of consumer products, services and/or retail sector preferred.
- ◆ Outgoing personality, team player, hard working and influential with high professional standards.

Please write, enclosing full cv, Ref SL1305
7 Shaftesbury Court, Chalvey Park, Slough, SL1 2ER

SELECTION

SLough • 0753 819227
LONDON • 071 493 6392 • BIRMINGHAM • 021 233 4656 • MANCHESTER • 0625 539953
BRISTOL • 0272 391142 • GLASGOW • 041 204 4334 • ABERDEEN • 0224 638080

ASSISTANT FINANCE DIRECTOR

London

£50,000 + benefits

This new position arises due to rapid expansion in an international business investing in downstream joint ventures and projects in the oil industry, mainly in Eastern Europe and the Commonwealth of Independent States. The company is soundly financed and has outstanding potential for further significant growth.

The successful candidate will be responsible for all aspects of financial and management accounting, with particular emphasis on the development of budgetary control and financial planning and on the financial control of projects. He/she will manage a small accounting team.

Applicants must be qualified accountants, probably in their thirties, who should have practical experience of accounting for and controlling joint ventures, ideally in the oil or gas industries. An understanding of international accounting requirements

would be an advantage, as would previous experience of doing business with Eastern European countries. A working knowledge of French or Russian would be helpful but is not essential.

Candidates should combine experience in a large corporation with commercial awareness and the ability to respond to rapidly changing priorities in a business which employs relatively few people but handles major investment decisions. Key personal qualities are a quick mind, self-motivation, lateral thinking and the ability to manage both people and events.

Please send your CV, highlighting relevant experience, providing salary details and day-time telephone number, and quoting reference 3235, to Graham Perkins, Touche Ross Executive Selection, at the address below.

**Touche
Ross**



MANAGEMENT CONSULTANTS

1st Floor, Hill House, 1 Little New Street,
London EC4A 3TR. Telephone: 071 936 3000.

Financial Controller

As part of a major nationwide plc, my client's reputation for technical excellence in their specialist industrial sector is second to none.

Responsive to the commercial realities of a changing market place, it is progressively devolving authority and accountability to its operating units. This means establishing strong, multi-functional management teams at local level, who with drive and vigour will achieve the financial, commercial and operational objectives of the business plan.

Creating modern, decentralised and user-friendly accounting & management information systems is a priority. This new appointment is an opportunity to lead and manage this process in one of the units. It needs an experienced Management Accountant/Financial Controller to bring not only professional accounting and MIS expertise, but also broad commercial, business orientated management skills. The ability to instil confidence, whilst challenging successfully previously accepted norms, will be crucial.

Qualified and probably in your early 30's, you will demonstrate a track record of success and well developed people, communication & influencing skills; you will be equally adept at both strategic and operational levels.

Send a comprehensive CV (including full remuneration details) to Andrew Burke, Macmillan Davies Consultants, Salisbury House, Bluecoats, Hertford, Herts. SG14 1PU. Tel: (0992) 552552.

Systems expertise
Business management
focus

to £30,000
plus car & benefits

North of London



Macmillan Davies

SEARCH & SELECTION

Finance Director

Humberside

to £40,000, car, benefits

Decentralisation of £25m turnover subsidiary of quoted UK plc creates need for determined, talented finance professional. Support Managing Director and provide strong financial and commercial input to the establishment of stringent performance criteria across the business.

THE ROLE

Complete responsibility for finance function to ensure accurate, timely financial reports and controls and efficient planning mechanisms to maximise business performance. ● Total involvement in commercial and strategic decision making process. ● Establish comprehensive cost control procedures and practices. ● Spearhead design and development of new integrated financial, management and manufacturing reporting systems.

THE QUALIFICATIONS

Natural leader with strong intellect and the purpose to translate plans into actions. ● Commercially astute, Graduate, Qualified Accountant. Aged 30-40. ● Track record of successful implementation of profit improvement programme in sophisticated manufacturing environment. ● Stature and maturity to influence at senior level. Ability to contribute to all aspects of the business.

Please reply in writing to Townsend House, 30 Monkgate, York YO3 7PH enclosing a full curriculum vitae and quoting Reference RBH 1015. Telephone 0904 670648. Facsimile 0904 611079



ROBINSON BROADHURST & PARTNERS

SEARCH AND SELECTION

HALE - YORK

Superb opportunity for recently qualified ACA...

Treasury & Financial Planning**London £25,000 + bonus**

My client is one of the world's leading car hire companies, having achieved this position through a policy of quality service, competitive pricing and operational efficiency.

Further expansion of the UK business is planned, creating the need for a young Accountant to support the Financial Director. You will play an important role in the budget and treasury process; be responsible for lease planning, projections, cash flow forecasts and branch reviews, and carry out a wide variety of projects and ad hoc investigations.

You must be a recently qualified Chartered Accountant with an excellent academic record and large firm training. Whilst you will almost certainly have investigations experience, an in-depth understanding of Lotus 1-2-3 is essential.

This is an important and demanding role which will require an enthusiastic, practical and innovative individual with commercial flair who can make a positive contribution to the profitability and efficiency of the business.

Please write enclosing a cv to Brian Marren, BM Search & Selection, Ashdene House, Claremont Grove, Hale, Altrincham, Cheshire, WA15 9HF.

Tel: 061 927 9149



Fax: 061 927 9155

TRUST ACCOUNTANT**City****c.£30,000 + Benefits**

This Asset Management organisation administers the investment activities of a discreet and private group of individuals.

As Trust Accountant you will be responsible for the day-to-day accounting administration of a substantial number of both private and settlement accounts.

Reporting to the Director responsible for the Accounting function, this will entail the preparation of annual financial statements and addressing issues such as taxation, compliance, settlements, treasury and various ad hoc projects.

You will be a qualified accountant aged from 30, who can demonstrate some previous exposure to trust accounting issues as well as a knowledge of GT, VAT and IMRO returns. You will have the type of skills necessary for liaison with professionals of the highest calibre.

Interested candidates should contact Jan Vonn on 071-629 4463; evenings, weekends 071-720 527 or write enclosing curriculum vitae to the address below.

HARRISON WILLIS

FINANCIAL & LEGAL RECRUITMENT CONSULTANTS

Cardinal House, 39-40 Albemarle Street, London W1X 3FD. Tel: 071-629 4463
LONDON • BRISTOL • GUILDFORD • READING • ST ABANS

Corporate Accountant**London****c£42,000 + Car**

This successful and progressive international Plc, has grown through a highly selective acquisition strategy as well as through organic growth.

Reporting to the Group Financial Controller the successful candidate will play a major role in the Group Finance team. Responsibilities will include consolidation, review and reporting on group results, preparation of annual budgets and corporate plans together with improvements of existing reporting systems. Preparing the holding companies accounts is part of this role.

Candidates should be qualified accountants, age indicator 30-35, with good communications skills,

a flexible approach and a hands on style. Ambition, technical competence, computer literacy and experience of the reporting requirements of an acquisitive group are essential attributes for success within this major group.

Please telephone or write enclosing full curriculum vitae quoting ref: 569 to: Nigel Hopkins FCA, London House, 53-54 Haymarket, London SW1Y 4RP. Tel: 071-839 4272 Fax: 071-825 2336



FINANCIAL SELECTION AND SEARCH

Controller – Finance and Business Planning (Financial Director Designate)

An ideal stepping stone for a bright, commercially minded accountant. A critical position in order to support the strategic and operational development of the Group which is going through an important process of change.

Part of a small team reporting to the Finance Director, you will lead financial analysis and planning initiatives for all entities – including France, Greece, Turkey, Cyprus, Israel and Malta. Responsibilities will include:-

- Business Planning and Analysis
- Key Financial Studies and Evaluations

You will have strong academic qualifications and be a qualified Chartered Accountant or equivalent with direct experience of a finance department, ideally gained within an international planning function. Highly numerate and computer literate, you will be analytical by nature, confident and at ease working at all levels of management. Conversational and written French would be an advantage.

Career prospects within the Group for ambitious individuals are outstanding.

FRANCE**c.FF 400,000 Plus relocation Plus benefits**

Interested candidates should write in confidence to: Simon Hewitt at Nicholson International (Recruitment Consultants), Africa House, 64/78 Kingsway, London WC2B 6AH, quoting reference 9407, or telephone (071) 404 5501 for an initial discussion, or alternatively fax details on (071) 404 8128.

**NICHOLSON INTERNATIONAL****REGIONAL FINANCIAL DIRECTOR**

A highly successful international biotechnical company is establishing a new regional office in Paris and is seeking a Regional Financial Director for the Bioindustrial Group of the new European Sales and Marketing Operations to be based there.

The regional headquarter has total sales responsibility for 9 offices throughout Europe and is responsible for the long term development of this business.

The position includes the following functions: Accounting and Financial Reporting (consolidation and local), Business Planning, Treasury, European and local tax issues plus some administrative responsibilities.

Some travel within Europe is envisaged.

Successful candidate will report to and is expected to work closely with the Vice President Europe.

Ideal candidate should have at least 5 years experience with a multi national company at both affiliate and headquarter level and should possess an Accounting/MBA qualification from a recognized body.

Excellent remuneration package available. Please send your application with full C.V. to:

NOVO NORDISK BIOINDUSTRIE S.A. EUROPE
79, Avenue François Arago
92000 Nanterre
France

Novo Nordisk

**Group Finance Director****M4 Corridor Package c.£45k**

This successful and growing public company, with £12 million turnover, comprises three main businesses serving the aerospace industry. The Group now seeks a senior financial executive with distribution/manufacturing and plc experience to work with the Chairman/Chief Executive.

In addition to managing and developing the Group finance and company secretarial functions and advising subsidiaries, the appointee will play a key role in business planning, budgeting and analysis. Other responsibilities will include conducting special investigations and liaising with external advisers regarding potential acquisitions.

Likely to be an FCA, the ideal candidate will have broad commercial skills and experience mergers and acquisitions. Our client seeks a proactive person with interpersonal and intellectual strengths and enthusiasm and determination to achieve success. Flexibility and creativity to meet both operational and strategic requirements will be crucial to the success of this demanding role. Candidates should already live in the area and be prepared to travel within the South of England. The comprehensive remuneration package includes a bonus, share options and fully expensed car.

If you have relevant experience and would like to develop your career in this dynamic environment, please write with full cv and details of your current remuneration to Sarah Gilbert, KPMG Selection and Search, 15 Pembroke Road, Clifton, Bristol BS8 3BG. Telephone: (0272) 732291.

**KPMG Selection & Search****FINANCIAL CONTROLLER****QUOTED COMPANY - S.W. LONDON****PACKAGE TO £35,000**

We are a financially robust, fast growing quoted company and are market leaders having expanded both in the UK and Overseas in wholesale distribution with fully computerised information systems.

The role would suit a 28-35 year old ACA and will cover all the normal financial controls with added responsibility for input into the continuing growth and improvement of the company's internal management systems.

The successful candidate will possess and have proven a high level of commercial awareness in addition to the usual expected skills.

Please reply in the strictest confidence:

Samantha Hyde,
Northamber plc, Lion Park Avenue
Chessington, Surrey KT9 1ST.
Tel: 081 391 5505
Fax: 081 391 4739.

DIRECTOR OF FINANCE

For the LEONARD CHESHIRE FOUNDATION, a leading international charity committed to promoting the care, general well-being and rehabilitation of people with physical, mental or learning disability. The Foundation is now modifying its U.K. structure to meet the needs of its 83 Homes and 30 Family Support Services and to ensure that it can conform with the requirements of current legislation in community care.

Reporting to the Director General, the Finance Director will be responsible for the Foundation's central financial management and for providing guidance and co-ordination in respect of the finances of the UK Homes and Services. He/she will also have responsibility for the Foundation's Public Affairs department which provides public relations and fundraising support on a national basis.

A successful candidate is likely to have a recognised accountancy qualification, wide commercial experience and excellent communication skills. Experience of fundraising and of work in the voluntary sector would be an advantage.

Salary Circa £32,500. Contributory Pension Scheme. Location - Central London.

Please write in confidence with full CV to:
Director General, The Leonard Cheshire Foundation,
26-29 Maunsel Street, London SW1P 2QN, by April 21st.

Group Financial Executive**Cotswolds Package £35k +**

Our client is a well-established, entrepreneurially-led, multi-site group of companies with a turnover exceeding £20 million involved in the design, manufacture and worldwide sale of specialist industrial products. Following several years of successful growth and having significant institutional backing, the Group is planning substantial acquisitions in the UK and overseas.

Reporting to the Group Financial Director and working closely with senior executives across the Group to give financial guidance, the successful candidate will have a broad range of financial and business responsibilities in this new post. These will encompass the development of accounting policies, procedures and controls as well as statutory and management accounting.

The ideal candidate will be a qualified accountant of graduate calibre with a track record of achievement in a manufacturing environment. Experience of all aspects of financial management, coupled with commercial vision and an innovative and practical approach to problem solving are pre-requisites. Strong communication skills are essential; a good working knowledge of German and an interest in, if not exposure to, European industry are desirable. The Group offers excellent career opportunities and rewards for those keen to prove their capabilities in an ambitious and exciting company. Relocation assistance will be given where appropriate.

If you have the experience and drive that we are seeking, please write with full CV and details of your current remuneration to Sarah Gilbert, KPMG Selection and Search, 15 Pembroke Road, Clifton, Bristol BS8 3BG. Telephone: (0272) 732291.

**KPMG Selection & Search**

كندا من ابل

Finance Director Speciality Equipment Manufacturer

Hampshire

Our Client is a small, well-financed U.K. Public Group. Fast-growing and acquisitive, the Group has gained a dominant market position through development of several autonomous but market-interrelated businesses. A Financial Director is sought for one of its main subsidiaries.

As part of an informal, non-bureaucratic local Board, you'll have a dual strategic and operational management role. Key responsibilities will be efficient management of accounting, information and reporting needs, the review and strengthening of controls, enhancement and upgrade of operating systems in an environment of rapid growth.

A graduate accountant aged up to 45, your highly practical style and experience will have been gained in a batch manufacturing environment. Current familiarity with modern manu-

facturing control and reporting techniques is considered to be essential. An enthusiastic and credible man-manager with a 'can-do' mentality, you'll also combine balanced technical skills with demonstrable computer literacy and the vision to offer sound, pragmatic financial advice to your colleagues. The position offers a high level of involvement in a rapidly growing organisation and real opportunity for future career advancement. You are invited to write initially to myself as Selection Adviser to the Company, quoting reference number 9213. All communications will be treated in complete confidence.

**LICHTIN
Associates**

Paul Lichtin, Managing Director,
Lichtin Associates Ltd.,
Margaret House, 67, Shooters Hill Road,
Blackheath, London SE3 7HS.

£40,000 + neg. plus car & benefits

Service Sector

FINANCIAL CONTROL

Luton

to £37,500 + car + bonus

Operating from a number of sites in the Midlands, our client is part of a major information and communications group. The £30 million turnover company is undergoing a major restructuring exercise designed to increase profitability.

Working closely with the Financial Director, the Accountant will initially have a 'fire-fighting' role ensuring the implementation of tight financial control at the operating units. He or she will make a major contribution to the restructuring, which will include the development of new systems and the centralisation of the multi-site accounting function. The position will provide significant exposure within the company, in particular to non-financial management.

Likely to be in their 30s, applicants should be qualified accountants ideally with service sector experience. Mobility, commercial awareness and computer literacy are essential.

Please write, enclosing a career/salary history and daytime telephone number, to David Hogg FCA quoting reference H/24/F.

FINANCIAL CONTROLLER

Up market mail order business, growing fast, requires young energetic qualified Financial Controller with good commercial experience to take charge of all accounting functions and senior management information reporting. Central London location.

Write to Box A459,
Financial Times,
One Southwark Bridge,
London SE1 9HL.

Controller Group Financial Analysis

North-West

c £45,000 + car
+ substantial benefits.

This major public Group, with several operating divisions, principally in the financial services sector, has made significant progress in difficult trading conditions. Substantial cost savings have been made throughout the Group; certain non-core business activities have been sold off and stringent performance guidelines are now in place. This high-profile role requires a talented professional to strengthen the finance team and bring an entrepreneurial and pro-active style to important profit and performance-related issues.

The Role

- Review profitability reporting across all divisions, with emphasis on margin analysis and product mix.
- Enhance forecasting/budgeting process across Group; establish longer term financial planning criteria; broad spectrum of ad-hoc projects and investigations.
- Interface with Group marketing on new business opportunities; introduce more sophisticated systems for evaluating pay-back on investments.
- Direct a small, high profile, quality professional team in pro-active role.

The Requirement

- Ambitious, graduate qualified accountant with demonstrably successful track record. Aged 30-40.
- Excellent analytical skills, practical approach with good cost control experience.
- Ability to enhance the business analysis team's credibility across Group.
- Profit-orientated and commercial approach; enthusiastic team player who can lead by example.

Please apply in writing, enclosing full C.V. quoting Ref. M724.

**ASB
SELECTION**

Amey House, Spring Gardens, Manchester M2 1BA. Tel: 061-834 0518. Fax: 061-832 9123

SERVICE DIRECTOR £30,000 + 25% Bonus + Car

QUALIFIED ACCOUNTANT WITH COMMERCIAL SKILLS

CASE-ICC Ltd is the UK market leader in the manufacture, sales, service and export of cash-handling equipment. We are looking for a commercially-aware individual who can take autonomous responsibility for a nationwide network of field engineering personnel. Attention to detail, together with the drive and enthusiasm to implement change, through system and procedure will be key attributes. Candidates must demonstrate a record of achievement within a professional environment, managing both people and projects within strict budgetary control whilst maintaining the highest levels of customer satisfaction. Applications are invited from fully qualified accountants within the ages 28-35, who wish to diversify into general management.

Please apply in writing, enclosing a full C.V. and current salary to:

Mr N. A. Townsend,
CASE-ICC Limited,
Unit 10, Cuckoo Hill
Industrial Estate,
Hertford, Herts
SG13 7NE

(No agencies please)

CASE

(CASE-ICC Ltd is an equal opportunities employer)

FINANCIAL CONTROLLER

£30,000

Plus Benefits

Our client is a member of the Securities Futures Association and is seeking a dynamic and enthusiastic Chartered Accountant with at least 2 years PQE.

A keen interest in the financial services sector together with experience of dealing with regulatory bodies will be an advantage.

CV's in confidence to:

M W Elliott,

Jeffrey Warner Elliott,

Chartered Accountants,

Maypole House, Maypole Road,

East Crutched,

West Sussex RH19 1HU

Finance Director

West Country

Up to \$45,000 + Car + Benefits

Our client is a subsidiary of a communications industry PLC and operates in that field. Its head office location in the West Country controls a network of locations around the country.

A major policy change calls for close integration and control of the financial function at the centre. The initial task is to implement this change and institute and ensure appropriate procedures and controls. Thereafter the key tasks are to maintain tight financial management, acceptable reporting to the holding company, and contribute to the

overall direction of the business and its profitability.

Candidates should be chartered accountants in their thirties trained at a major practice before gaining experience of financial management and systems within the service industry. They should display the strong interpersonal skills needed to carry through the policy change and contribute at Board level.

Please write - in confidence - enclosing a CV and details of current remuneration to Garry Long, ref 19001, MSL Group Limited, 32 Aybrook Street, London W1M 3JL.

MSL International
CONSULTANTS IN SEARCH AND SELECTION

FINANCE AND STRATEGY MANAGER

International Services Operations

to £50,000 + car + benefits

M4 Corridor

Our client is a successful £200 million international service company and market leader in its field.

Supported by a small HQ team, your routine accountabilities will include consolidations, accounting policies, budget and forecasting development, business analysis and review. This tactical insight will facilitate a close working relationship with the Finance Director on wider strategic issues, such as financial restructuring and acquisitions. Success in managing these wider issues will lead progressively to a head of finance role.

Candidates will be qualified graduate accountants aged about 35, experienced in managing a broad-ranging finance team. Ideally in a major contracts-driven service organisation in the IT industry. The key personal qualities will be an enquiring mind, a practical no-nonsense style, and an ability to understand the business strategy and alliances needed to implement major change.

Please send your CV, quoting Reference 892 to Alan Brown, at the address below.

MKA MANAGEMENT CONSULTING LIMITED
Tectonic Place, Holyport Road, Holyport,
Maidenhead, Berks SL6 2YE
Telephone: (0628) 798015
Fax: (0628) 798138

MKA

BELGIUM • FRANCE • GERMANY • ITALY • SPAIN • SWEDEN • SWITZERLAND • THE NETHERLANDS

FINANCIAL CONTROLLER

Hertfordshire

£25,000

Our client is a small group dealing with printing and stationery supply, import/export and construction.

The right candidate will be qualified and able to take full responsibility for all financial affairs of the group.

Please apply with CV to:

Julie Allen
Morgan Connect Limited
16-18 New Bridge Street
London EC4V 6AU

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LIMITED**

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on 071-873 3460

Teresa Keane

on 071-873 3607

Allison Price on

071-873 3607

REGENTS COLLEGE, LONDON NW1

The Regent's College campus is a private international campus, located in the heart of Regent's Park. Its undergraduate schools specialise in Business, English and History, with accreditation available from either American or British systems of education.

Expansion prospects warrant the strengthening of the "in house" financial and managerial expertise.

DIRECTOR OF FINANCE AND ADMINISTRATION £35,000

Qualified Chartered Accountant with commercial flair and proven leadership qualities to assist in formulation and implementing strategy for the development of the College.

Must have excellent inter-personal and management skills, and experience of constructing and developing effective management information and control systems. Reporting to the President of the College.

Please write with CV to Carole Still, Regent's College,
Inner Circle, Regent's Park, London NW1 4NS



GROUP CHIEF ACCOUNTANT BUSINESS MACHINES GROUP

London

To £35,000 including bonus

The position requires a commercially minded, sales orientated qualified accountant to head up the accounting function of this multi-million turnover Group.

The successful candidate must be able to motivate a large team, have previous commercial knowledge and be enthusiastic. Reporting directly to the M.D., the role will be both demanding and challenging for the successful candidate.

Age: probably 30-40.

Please reply enclosing full details to Robert Mowbray, MacIntyre Advisory Services Ltd, Ashley House, 18-20 George Street, Richmond, Surrey, TW9 1HD.

MACINTYRE ADVISORY SERVICES LTD
TRAINING AND RECRUITMENT CONSULTANTS

FINANCIAL ACCOUNTANT/ TREASURER

£35,000 + package

This is a unique opportunity to meet new challenges, extend your experience and boost an already impressive CV, in what is likely to be the highest profile role of your career to date.

Your brief is to enhance financial reporting and control throughout an organisation with net assets of £220m and net expenditure in the region of £125m.

It is a 'hands-on' role in which your staff management skills will be very much to the fore.

Ensuring the effective operation of a 21-strong department responsible for cash management, income billing, credit control and financial accounting, you will assess and develop financial reporting systems, including

the compilation of the monthly board report, and have exposure to central management control, treasury management and systems development.

If the technical dimensions of the role are considerable, the personal challenge is even greater, as will be the pressure to produce immediate results. You may only have a few years post-qualification experience, but you must have the authority, maturity and interpersonal skills to optimise individual performance - leading by example rather than dictate; as well as the ability to manage change.

The appointment, in a renowned public sector organisation, is offered on a three-year initial contract.

To apply, please send your cv to: Katrina Sevenoaks, Consultant, Austin Knight Recruitment, 20 Soho Square, London W1A 1DS, quoting reference number A190. Fax 071 439 5744. Or you can phone her on 071 439 5781 during office hours - 081 677 2409 (evenings 7pm - 9pm) - for further information.

**Austin
Knight**

ADVERTISING • RECRUITMENT • COMMUNICATIONS

Financial Controller

South Midlands

£35,000 + Car

Our client has formed a new company in the food processing business by acquiring facilities and an existing business with an established reputation for quality and performance. The company is embarking upon a major investment programme, and turnover is projected to reach £50 million in the second full year of operation.

To assist with the completion of the start up phase and to establish computerised accounting and management reporting systems the company seeks an experienced financial manager with:

- a recognised accountancy qualification and some up-to-date knowledge of taxation.

- at least 6 years experience in industry/ commerce including operational responsibility for accounting and management reporting in a medium sized business.
- well developed commercial abilities and a capacity for managing staff and developing systems.

This is an opportunity to join a soundly based enterprise at the outset. There is a competitive salary and benefits package and excellent long term prospects.

Write in confidence to John Gregory, Search and Selection Division, Breckenridge Consultants Limited, Charter House, 428 Avebury Boulevard, Central Milton Keynes, MK9 2HS, demonstrating your relevance clearly and quoting reference 146/FT.

BRECKENRIDGE
CONSULTANTS • LIMITED

Treasurer

A major new treasury appointment

To £40,000 + Benefits

Central London

Our client is a well-known, quoted Plc with annual turnover in excess of £1 billion, and substantial assets.

Continued growth of the business now requires the appointment of a Treasurer, reporting to the Group Finance Manager, to take responsibility for managing and developing the treasury function. Key tasks will be to arrange and manage funding operations, to strengthen relationships with the financial community, to establish and implement appropriate risk management strategies, and to develop treasury operations to meet the needs of the company.

Probably a graduate, you will be a qualified treasurer with experience in

the management of a UK corporate treasury function. You will have an in-depth knowledge of the London banking and money markets, and will have arranged and implemented borrowing and risk management programmes.

An attractive salary will be supplemented by a benefits package which will include a car and a contributory pension scheme. If you wish to be considered for this appointment, please write - in confidence - enclosing a CV and details of current remuneration to Douglas Austin, Ref 7233, MSL Group Limited, 32 Aybrook Street, London W1M 3JL. Telephone 071-487 5000.

MSL International
CONSULTANTS IN SEARCH AND SELECTION

Finance Director (Designate)

East Midlands

c £40,000 + Car + Benefits

Based in rural Northamptonshire, our client is a rapidly growing private company involved in the factoring and manufacturing of fast moving consumer goods.

Operating from a greenfield site with modern plant, turnover will reach £15m in this, the third year of operation, and this level of growth is planned to continue by targeting markets both at home and abroad.

They now seek an aspiring Finance Director to supplement their strong management team, delivering further expansion, whilst maintaining tight financial and working capital control.

The position carries responsibility for six staff, and reports to the Managing Director. Particular emphasis will attach to administration, systems and management reporting developments.

cost control and justification, maximisation of asset utilisation and the prudent management of foreign exchange issues.

The successful candidate will be a qualified accountant, probably aged 30-40 with experience of an FMCG manufacturing industry. Capable of managing rapid growth both at a systems and a strategic level, you will be a proactive self-starter. Strong interpersonal skills will include the ability to be forceful at board level whilst retaining good team relations.

If you are attracted to this outstanding 'ground floor' opportunity, then apply to Oliver Howl BSc ACA, Michael Page Finance, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST, quoting reference OH130.

Michael Page Finance

Specialists in Financial Recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Finance and Planning Manager

East Midlands

to £35,000 + Car + Benefits

Our client is an autonomous sales, marketing and distribution subsidiary of a \$1.6 billion turnover US Group.

Despite the current economic climate, the company, although already a worldwide market leader in its field, is committed to achieving further substantial growth and market share by continued product enhancement and innovation.

Reporting to the Finance Director the successful applicant will lead a team that is responsible for the ongoing development of new sophisticated systems which will provide improved management information to the US parent and subsidiary board. Particular emphasis will be placed on the individual's

contribution to the planning and forecasting process.

It is within this environment that a qualified accountant, aged 32-40, is required to join a highly motivated management team in achieving the corporate objectives. A strong personality and first class communication skills are prerequisites, as well as significant planning experience gained within a fast moving consumer market.

If you have the appropriate skills and experience, write enclosing a current curriculum vitae and quoting reference number PK142 to Paul Kinsey ACMA at Michael Page Finance, Imperial Building, Victoria Street, Nottingham NG1 2EX.

Michael Page Finance

Specialists in Financial Recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

FINANCIAL CONTROLLER

Essex

£60,000 + bonus + car + benefits

This is an excellent opportunity for a high-calibre qualified accountant to participate in the growth of a new but already very successful company.

Since its launch in 1988, this organisation has expanded rapidly to become a well-known name in the UK retail sector, with 85 outlets producing a turnover in excess of £60m. Currently privately owned but enjoying significant institutional backing, it is poised for further growth in the UK and abroad and looks towards a UK Stock Exchange listing within the foreseeable future.

As Financial Controller, you will also become Company Secretary on joining and will initially work closely with the Finance Director in running all aspects of the finances

of the organisation, with the intention of taking over from him within a year. You will then take the company through flotation and beyond.

In such a rapidly growing retail organisation, emphasis will be placed on a hands-on approach to both management of the finance function and participation in the general running of the business. To be considered, you must be aged 35-45 and have at least five years commercial experience within a retail or FMCG environment and strong technical ability. Excellent managerial and interpersonal skills must be complemented by a high degree of commercial awareness.

In addition to a competitive salary, a generous bonus scheme and a full range of benefits will be provided.

To apply, please send full cv to Patrick Johnson, Ref: 5644F/FT, PA Consulting Group, 123 Buckingham Palace Road, London SW1W 9SR.

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The World Bank

The leading international institution in the field of economic development in developing countries, is seeking high calibre professional men and women for its Headquarters, based in Washington, D.C., U.S.A.

ECONOMISTS with advanced degrees (PhD preferable), strong analytical skills, and at least five years of experience in one of the following areas:

- **Macroeconomics:** to provide economic strategy and policy advice at the national level in the fields of fiscal, balance of payments, monetary and trade policies

- **Human Resources Economics:** (e.g. labor markets, social sector services, education or health) to provide policy advice on sector strategies and to evaluate projects proposed for Bank financing

- **Industrial Economics:** with specialization in areas such as industrial policy, restructuring and privatization, investment priorities, trade, business technology development or industrial pollution

- **Financial Economics:** with specialization in areas such as international capital markets, banking structure, regulations and reform or financial intermediation

- **Economic Management:** with practical experience in building/managing institutions responsible for economic policy analysis and formulation, public expenditure and budgeting, public investment and external finance

- **Transport Economics:** to carry out analyses of the transport sector and its organizations, public enterprises, investment programs, policies and regulatory frameworks

- **Livestock Economics:** to analyze policies and programs related to livestock production, processing and marketing. Good familiarity with issues related to pastoral enterprises, rangeland management, smallholder livestock production and international trade in livestock products

SPECIALISTS/ENGINEERS with advanced degrees in relevant field of expertise and a minimum of ten years of experience in one of the following sectors:

- **Private Sector Development:** with extensive private sector experience that includes more than one of senior

management in Operations/Finance, industrial policy, strategy, corporate planning, restructuring and privatization

- **Municipal/Urban:** with experience in local government, infrastructure planning, design and maintenance, investment priorities at national level or in large urban areas, and evaluation of investments

- **Highway, Railway and Port:** with experience in transport policy, logistics and development at the national level, including specific experience in one mode of transportation

- **Telecommunications:** with broad experience in national/international telecom systems and networks, investment priorities, and evaluation of investments

- **Employment and Training:** with substantial relevant experience training and retraining policies and programs

- **Municipal Finance:** with substantial experience in advising local governments on taxation policy, tax administration, and finance of municipal services

- **Water Resources:** with extensive experience in water resources planning, management and development at national/river basin levels, or in institutional development and organizational issues

- **Environment:** with experience in chemical engineering, environmental technology, or industrial emission control technology

- **Land Policy:** experience in land policy formulation and administration. Thorough familiarity with issues related to privatization of socialistic farms, including settlement of old claims, land titling and registration, organization and funding of land markets, and training of people involved in such activities

- **Agri-Business:** to develop strategies for privatization of agro-industry parastatals and promotion of new businesses in the private sector. Hands-on experience in managing agro-industrial enterprises with strong analytical and problem-solving abilities

GENERAL REQUIREMENTS: Proven capacity for: intellectual/operational leadership; experience in development work, including Eastern Europe, republics of the former Soviet Union, or other centrally planned economies; strong analytical, interpersonal and diplomatic skills; excellent communication skills, (oral and written); and proficiency in English (knowledge of Russian and/or other languages of the former Soviet Union). Private Sector experience is desired for most positions.

The Bank offers challenging opportunities in a multinational environment. Relocation and frequent international travel are required. Salary and benefits are internationally competitive.

Interested candidates should send a detailed curriculum vitae to:

The World Bank, Recruitment Division, CIS - DRIVE, Room 0-4146, 1818 H Street, N.W., Washington, D.C. 20433, U.S.A.

Financial Analyst

West London

£30,000

+£7,000 car allowance

+ Excellent Benefits

Glaxo

Dynamic management coupled with innovative development and marketing strategies has been effective in making our client, Glaxo Holdings p.l.c., a world-wide leader in ethical pharmaceuticals, producing excellent results with a superior performance in the FTSE 100 Index. From this sound base, there are exciting prospects for future growth.

The Management Information and Financial Planning Department has identified a need for an additional financial analyst as part of a small head office team.

Responsibilities will be varied and challenging. They will involve preparation of the Group business plan and numerous projects including company plan and forecast reviews, competitor analysis, new product evaluations and on-going systems development.

Candidates will be graduate qualified accountants or MBAs with one to two year's post-qualifying experience and well-developed pc skills. Exposure to large international groups is desirable. The ability to communicate effectively at all levels and to display sound business acumen is of equal importance. The rewards include an attractive remuneration package including a non-contributory pension, company car allowance and the opportunity to develop an outstanding career based entirely on merit.

For further information in strictest confidence contact Jonathan Jones on 071-287 6285 (evenings and weekends on 081-464 0927). Alternatively, forward a curriculum vitae to our London office quoting ref: JJ350.

Any applications submitted directly to Glaxo by third parties will be forwarded to Walker Hamill.

WALKER HAMILL
Financial Recruitment Consultants

29-30 Kingsly Street
London W1R 5LB

Tel: 071 287 6285
Fax: 071 287 6270

Finance Director

Black Country

£30-35,000 + Bonus + Car

Our client, a substantial division of a UK based PLC is engaged in the drop forging and castings industries operating from three West Midlands locations. The group has demonstrated steady profits and earnings per share growth over recent years, a trend which is expected to continue.

Recent rationalisation and restructuring leaves the division poised to exploit any economic upturn, as and when it comes. It is within this environment that a qualified accountant aged circa 35-45 is required, to assist the management team in achieving its goal of maximising efficiency and profitability.

Reporting operationally to the Managing Director and functionally to the Group Finance Director, you will be required to demonstrate 'hands-on' experience, and be responsible for

the full finance and MIS functions, including some 20 staff, and will also play a leading role in the commercial development of the division.

Commercially aware with an innovative, self confident nature you will be able to demonstrate an ability to both suggest and implement change. Experience of the evaluation of major capital projects will be needed as well as tight financial and cash control.

If you believe you meet the criteria to deliver in this demanding environment, please apply enclosing a curriculum vitae and current salary details to Oliver Howl BSc ACA, Michael Page Finance, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST, quoting reference OH129T.

Michael Page Finance

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